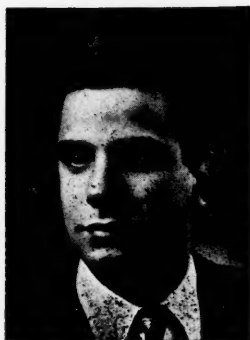


The NATIONAL UNDERWRITER

Life Insurance Edition



CARL KLOPPENBURG, JR.

Second generation Franklinite, Carl Kloppenburg, Jr., walks ably in the footsteps of his father who represented our company in Springfield for 37 years until his untimely death in March, 1946.

Returning from military service, and taking up where his father had left off, without any experience, he has been an eager student with a mind like a sponge. Encountering a new situation he promptly solicits advice—and puts it to use. "I tried that—it works" is a frequent report from Carl.

Franklin Millionaire, Quality Award Winner, and Agency Club Officer, here is the record of his constantly increasing earnings:

1946	. . .	\$ 3,063.64
1947	. . .	3,417.13
1948	. . .	5,813.78
1949	. . .	7,544.57
1950	. . .	11,686.14
1951	. . .	9,318.21
1952	. . .	11,835.83

Our "Exclusives" have made me successful

Mr. Francis J. O'Brien, Vice President
The Franklin Life Insurance Company
Springfield, Illinois

Dear O'B:

Seven years ago I signed my Franklin contract at age 23 on discharge from the Air Force. I had no previous business experience whatsoever, having been a college student before my military service. I was told that the sure way to succeed and make money was to study the wonderful sales material on our Exclusive Contracts and present them to the public.

I soon learned how receptive people were to my story. It was something new . . . instead of the usual plans they had heard for years. Once my prospects hear what these programs will do for them and their families they no longer want the "old fashioned" policies.

What a tremendous advantage we at the Franklin enjoy over our competitors! We have everything they have to offer PLUS. I might add, that if it were not for our exclusive contracts, I would not be in the life insurance business, as they have been responsible for my gratifying earnings these past seven years.

Another advantage for which I am thankful is the wonderful Home Office cooperation. Ours is truly an agent's company.

I am very grateful for being associated with our great company and for my gratifying earnings . . . I am sure 1953 will be even better.

Carl Kloppenburg, Jr.



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT

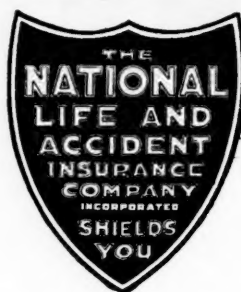
SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over a Billion Three Hundred Million Dollars of Insurance in Force

FRIDAY, MARCH 6, 1953



FINANCIAL STATEMENT December 31, 1952

ASSETS

Bonds Owned	\$ 180,465,308.14
Real Estate Loans	194,072,688.28
Stocks Owned	12,062,432.03
Cash in Banks and Offices	6,739,101.60
Real Estate Owned	11,610,961.05
Net Unpaid and Deferred Premiums	8,755,119.00
Policy Loans	14,724,375.35
Collateral Loans	320,800.00
Interest Due and Accrued	2,270,123.20
TOTAL ASSETS	\$ 431,020,908.65

LIABILITIES

Legal Reserve, Life and Annuity Contracts	\$ 369,797,867.00
Reserve, Disability Policies	2,941,711.00
Investment and Mortality Contingency Fund	9,000,000.00
Gross Premiums and Interest Paid in Advance	2,070,438.56
Taxes Accrued But Not Due	3,041,140.90
Agents' Bond Deposits	743,060.49
Reserve for Policy Claims in Process of Payment	1,610,737.23
Commissions Accrued to Agents, and All Other Items	1,167,174.96
Liabilities Other Than Capital and Surplus	\$ 390,372,130.14
Capital and Surplus	40,648,778.51
TOTAL LIABILITIES	\$ 431,020,908.65

Gain in Life Insurance in Force During 1952	\$ 355,706,672.00
Total Life Insurance in Force December 31, 1952	3,247,479,350.00

THE NATIONAL LIFE and Accident Insurance Company

Nashville, Tenn.

Edwin W. Craig
Chairman of the Board

Eldon Stevenson, Jr.
President

The NATIONAL UNDERWRITER

The National Newspaper of Life Insurance

March 6, 1953
57th Year, No. 10

Mutual Benefit Sets Up Executive Unit to Speed Progress

President Palmer Tells General Agents of New Stepped-Up Program

NEWARK—Establishment of an executive council to share executive functions, establish policies, coordinate activities, establish public relations projects, and plan programs is one of the first steps in Mutual Benefit Life's new program of developing new programs to meet its needs and the merchandising needs of its sales force, President H. Bruce Palmer told the 73 general agents who attended a two-day session at the home office here.

Mr. Palmer said the general agents would be asked to help the company in solving its merchandising problems.

Emphasis will be placed on the training of future management personnel, he said. Sound merchandising projects, with research to support them, will be included in the program. Improved organization will be a major aim of management.

Mr. Palmer said thoughtful consideration will be given to needs for new agencies and where they might be located. He indicated that some thought should be given to establishing multiple agencies in more of the big cities than is now the case. He mentioned also the cultivation of the farm market and establishment of district agencies.

Perhaps the home office should consider the general agent as an apprentice who needs advice and assistance while he is building an agency, Palmer said. Then, as he gains experience, the home office could gradually withdraw its assistance.

The general agents were told about several new policies and sales aids that will be available either immediately or shortly. There will be a new additional indemnity death rider, new term insurance policies, a monthly premium payment system and a brokers' kit that the company says is the most comprehensive in the business.

Weymouth L. Murrell, Los Angeles, was elected president of the general agents' association, succeeding Edgar D. Carlough, Jr., Albany. William C. Preston, Akron, was elected vice-president and Alfred J. Lewallen, Miami, secretary. The association met the day before the meeting at the home office.

Charles C. Heitzberg, associate director of agencies, conducted the meeting the first day, chairman the second day being Stuart A. Monroe, director of field supervision. There was a dinner the evening of the first day.

Mr. Heitzberg described six new sales aids, one of which is a juvenile sales folder highlighting the value of juvenile insurance and focusing the prospect's attention on the \$10,000 paid-up-at-60 policy without slighting other plans.

It was announced that classes in Analagraph, Mutual Benefit's pro-

(CONTINUED ON PAGE 21)

O. T. Hogan Elected United Chairman, J. R. Hogan President

O. T. Hogan, president of United of Chicago since its incorporation in 1919,



O. T. Hogan



J. R. Hogan

has been elected chairman. He is succeeded as president by his son, J. R. Hogan, who has been executive vice-president.

J. R. Hogan started with the company after graduating from the University of Wisconsin in 1934. He has served in every department, specializing in agency organization development. Since 1950 he has been executive vice-president, working closely with officials in the acquisition and merger of other life and A.&H. companies.

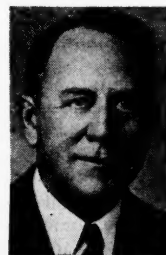
O. T. Hogan this year is celebrating his 50th year in the business. He started as a debit agent at Springfield, Ill., for Metropolitan Life. Under his guidance United has made rapid expansion, absorbing the business of several companies. Its growth over the past 10 years is especially noteworthy, and over the past four years the company has doubled its income, assets and amount of insurance in force.

C. A. Taylor Named To Succeed Henley as Life of Va. President

Charles A. Taylor has been named president of Life of Virginia, succeeding Robert E. Henley who has been elected chairman of the investment committee, a new position.

Mr. Taylor's election followed Mr. Henley's announcement last year that he would retire as president at the next annual meeting, under the company's pension plan.

Mr. Taylor, a 53-year-old native of Richmond, advanced from executive vice-president, a position he had occupied since 1945. A graduate of McGuire's University School, Richmond, Mr. Taylor joined the actuarial department of Life of Virginia in 1918. He was appointed assistant actuary in



Robert E. Henley



Charles A. Taylor

1923, actuary in 1926, and a vice-president in 1942. He is a director of the company and also of First and Merchants National Bank, and of Richmond Tuberculosis Assn.

A fellow of Society of Actuaries and of International Congress of Actuaries, (CONTINUED ON PAGE 21)

State Association Supports N. Y. Bill to Ease Section 213

Relies on Bohlinger's Assurance That Door Is Still Open for '54 Action on Pay

ALBANY—The compromise bill to amend section 213, the expense limitation provision of the New York insurance law, has passed the senate with only two negative votes and the companion assembly bill has been reported out by the assembly insurance committee.

Reassurances from Superintendent Bohlinger served to stave off what would otherwise have been vigorous opposition from the New York State Assn. of Life Underwriters and Senator Friedman of the Condon committee, which has the section 213 changes on its agenda.

The association had voted Jan. 30 to oppose the bill but decided to go along with the department and the companies after Mr. Bohlinger had reassured the association that the door was open for consideration of further increases in the agents' compensation limit and had agreed to modify the bill so as to permit a general agent to receive the proposed extra 5% overriding on his personal production provided it did not exceed half the agency's total production. A sliding scale limitation would apply on the excess above half.

Potential opposition from Senator Friedman developed because he had been informed that the bill would make changes that would cost the policyholders \$7.50 per \$100 of premiums. This evidently arose from a misunderstanding of the effect of the figure "7½%" in the bill in connection with the expense formula. Both Mr. Bohlinger and Senator Condon assured Senator Friedman that the increase could not be more than about three-quarters of 1% or 75 cents per \$100 of premium.

In his letter to the state association, addressed to Executive Secretary Spencer L. McCarty, Mr. Bohlinger recalled that when he met with the industry policy committee and suggested concentrating on a bill covering points on which agreement could be reached, he included the matter of agents' compensation.

"On this point," the superintendent wrote Mr. McCarty, "I stated specifically, and have since reiterated, that I would be in favor of a modest increase in cash compensation, plus a provision for security benefits; that the adoption of any such provisions would leave the subject of agents' compensation open for further discussion, with the hope that during the coming year sufficient facts could be adduced upon which to base any necessary or further revision of the statutory provisions covering agents' compensation. In other words, none of the parties would be foreclosed from continuing a study of the problem. My

(CONTINUED ON PAGE 23)

Late News Bulletins...

Farmers of L. A. Offers \$34 for New World Stock

Certain officers and directors of New World Life have completed negotiations with Farmers Ins. group of Los Angeles under which the latter will pay \$34 per share, without any deduction, for New World stock, on condition that holders of 60,000 shares accept the offer by March 31.

The Farmers group has deposited \$2 million with Seattle-First National Bank to take up the stock as soon as the necessary number of shares have been deposited.

Last week an offer of \$31 per share for the capital stock was made by Charles A. Sammons, president of Reserve Life of Texas. That offer was made known through a personal letter to stockholders from John J. Cadigan, chairman.

The Farmers group, which has surplus funds exceeding \$30 million, is not now in the life insurance business. It is understood that Farmers would continue the company as New World Life with the home office at Seattle and with personnel as presently organized.

Acceptance of the \$34 offer is recommended in a letter from Roy L. McGinnis, president; R. C. Burton, vice-president-secretary-actuary; Edw. J. O'Shea, vice-president-treasurer, and John D. Carmody, vice-president-general counsel.

The letter describes the offer as the "best obtainable."

N. A. L. U. Building Fund Near Goal

NEW YORK—The N. A. L. U. memorial building fund is virtually at the \$250,000 mark, leaving only \$50,000 to go in achieving the \$300,000 goal. The building site will be picked at a meeting of the trustees immediately after the midyear meeting at Chicago next month.

(Additional Late News on Page 24)

BRIDGES DIFFICULT GAP

Home Life "Planners' Program" Matures
Campus Recruits into Skilled Producers

NEW YORK—Home Life has overcome one of the big stumbling blocks in the way of recruiting college seniors and recent graduates by establishing a two to five-year training program before allowing the recruits to enter full-time sales work. The main difficulty the life insurance business encounters with campus recruiting as practiced by large corporations is that it takes more maturity and know-how than the recent graduate usually possesses to make the right impression on desirable prospects.

Home Life's "planners' program" is designed to recruit outstanding college seniors and recently graduated college men, to train them in the "planned estates" technique of the company, and to prepare them to take over the functions of an agent in two or five years. This program has its counterpart in the home office where college men are recruited and trained to handle the functions of different departments in the home office.

The planners' program began in 1945 under the guidance of W. P. Worthington, executive vice-president. Since that time, college seniors recruited to work in one of the 50 agencies of Home Life have proven the value of such a carefully detailed program in training agents. The agents who have successfully negotiated the program heartily endorse it and feel that it was an excellent means of preparing for active sales work.

The home office college recruiting and training program was started in 1917 by W. J. Cameron, now president. An impressive number of Home Life executives have been recruited from colleges or universities. Included in this group are Theodore Stemmerman and Marshall Cleaves, vice-presidents, and Owen C. Lincoln, William Allan and Guy Pickering, actuaries.

College recruiting is undertaken by Home Life because of the company's interest in developing young men to be future executives. It stems from the idea of employing the younger, inexperienced man with the potential for long-range development and training him in the company. The program also recognizes the fact that the colleges and universities represent the most economical source of career-minded young men. Because of the long-range aspect of the program, prospective service in the armed forces is not a deterrent to employment.

Recruits for both programs are obtained through visits to some 25 New England and Middle Atlantic colleges and several mid-western universities which offer programs in actuarial science. Seniors are interviewed on the campus and some of these are invited to the home office for further interviews at the company's expense. At the home office they are tested and interviewed by the department heads who have positions available. Some 12 or 15 men are recruited directly from schools each year. In addition recent graduates are often referred to the company by college contacts.

The object is to recruit the man who has aptitudes and work interests in line with company expectations and who evidences over-all potential for

future development. The men employed either enter the home office management training program, which is also open to members of the staff who have shown management capacity, or the planners' program in the field organization.

Trainees for sales and sales management should have a general educational background. Courses in business administration, economics and accounting are considered helpful. The educational requirements, as would be expected, vary for the other positions for college graduates in the administrative and actuarial departments.

Home Life believes its planner's program is unique in the life insurance business. It provides a rounded program of life insurance training work. Recruits are known as planning assistants and work closely with the agents. The assistants help the agents create from the appropriate "raw materials" completed estate plans for the agent's clients.

There is a major dividend inherent in the planners' program. By having the new recruit handle much of the paper work and details connected with the planning of an estate, the full time agent is freer to obtain the all-important interviews. In this manner, the prospect receives the service he is entitled to and the agent isn't tied down to his desk.

In his first year the assistant becomes acquainted with the rudiments of life insurance. Afterwards he begins to devote a portion of his time to the development of his own clientele. A typical assistant will develop six clients in the following six months. Each month thereafter he will attempt to obtain at least four new clients. By this method the assistant has a nucleus of clients when his two to five year training period is completed.

Four assistant managers of Home Life agencies are former planners, and 10% of the company's leaders are former members of the program. Last year 14 men were graduated from the program to become full-time agents.

A. Robert Lawton, assistant manager in Pittsburgh, says that program is a real break for the young man who wants to make a career in the insurance business. Alvin Vogel, of the Loft agency in New York City, says being a planning assistant requires working closely with many successful agents. It is inevitable that some of the success rubs off on the planning assistant.

Outlines Selling Methods

V. John Krehbiel, agent at Los Angeles for Aetna Life, outlined his selling procedure to members of Los Angeles C.L.U. chapter. His talk, "A Week in the Life of a Million Dollar Producer," described how he sets a daily work quota for himself which can be ful-

filled in eight to ten hours.

Mr. Krehbiel said he tries to see at least one \$25,000 prospect every day, and by grading up these prospects he said he is able to close at least three good cases a week.

He said positive thinking was a prerequisite for the successful life underwriter and urged participation in civic work, either in the church, society or politics.

Jury Absolves L. A. Agents of Fraud in Bank-Loan Case

LOS ANGELES—A verdict for defendants has been returned by a jury in superior court here in a suit filed by O. F. Collinge and his wife, Geraldine Collinge, accusing John H. Drummond and Lloyd Steadman, life agents, with fraud and misrepresentation. The plaintiffs also unsuccessfully sought rescission of a policy and return of premium from Prudential.

The jury found that neither Messrs. Drummond or Steadman fraudulently represented that the \$55,000 policy issued to Mr. Collinge through Prudential would be at standard rates. Nor was it found that the defendants falsely represented that the insurance would be accompanied by a loan under the five-year bank-loan plan at 2 3/4% interest.

The jury also found that if plaintiffs were entitled to rescind, they did not use reasonable diligence to restore to Prudential everything of value they had received under the policy.

Following the jury verdict, the court held that the plaintiffs do not have the right of rescission.

This is the first of a series of three actions involving the same agent defendants but different company defendants. Another action involves Mr. Steadman and an agent named Bell, and another company, and there is one filed by Mr. Steadman against Dr. Karl S. Sicherman seeking \$1 million damages for libel and defamation of character.

The second case scheduled for trial is that of the Collinges against the same defendant agents and Crown Life of Canada. It has been set for trial early this month.

FREDERICK F. TAYLOR, 80, former district manager of Metropolitan Life at San Francisco, died at Los Angeles where he had been living since his retirement. He was a member of the federal insurance commission at Washington during World War I.

L. M. BANKS, SR., for six years Florida manager of Maccabees, died at his home at Jacksonville. Mr. Banks had been in the insurance business for 30 years, and before joining Maccabees was with Bankers Life & Health and Life of Georgia.

William P. Worthington, executive vice-president of Home Life of New York, is marking his 20th anniversary with that company. He has been in the business since 1919.

"What Am I?" Test Is Uncannily Sharp in Selecting Agents

Shows Up Man's Drives, "Soliciting Courage"; Now Undergoing Experiments

NEW YORK—Without fanfare, the "Activity Vector Analysis" has been building up a reputation for uncanny accuracy in screening agent recruits for personality characteristics and potential life insurance selling ability.

New England Mutual has been trying it out. So has John Hancock, for its debit agents. L.I.A.M.A. is experimenting with it in six companies.

The A.V.A., as it is known, is a test blank which the applicant fills out without even the need for having someone administer it. It shows up the man's personality pattern with particular emphasis on qualities essential to salesmanship but extremely difficult to measure by any existing tests. One of these, for example, is "soliciting courage". As the term implies, it is the man's willingness to go out and tackle people in their offices and homes and try to sell them.

Many men have excellent ability at successfully conducting a sales interview in their own offices but lack this soliciting courage. They may force themselves to go out and make calls but basically the procedure is distasteful to them, so much so that it makes their failure as agents almost foreordained.

Another trait, important for salesmen, that the A.V.A. measures is gregariousness. However, even a man who is highly gregarious may not have sufficient soliciting courage to make a good agent.

Soliciting courage, incidentally, has nothing to do with intelligence or knowledge of product. It is the characteristic exemplified by the agent who, in spite of little or no training or technical knowledge, turns so many doorknobs and sees so many prospects that he rolls up a substantial sales record while his more learned contemporaries are in their offices analyzing policies or preparing written proposals.

One thing the A.V.A. does is to predict amazingly well what a man will do even though he hasn't had enough experience to permit any kind of prediction based on a record of activity in business or civic or social activities.

Beside soliciting courage and gregariousness the A.V.A. measures a man's "horsepower rating." This is his inner drive to get going and do things. This might seem to be the same thing as soliciting courage but actually it is different. A man may have plenty of horsepower but still shrink from making calls on strangers or people he doesn't know particularly well.

Another important factor it measures is ambition, measured in terms of his hunger for money, success, prestige, in other words ambition in a material sense.

"It tells you whether he's got dollar signs in his eyes," said one general agent who is enthusiastic about A.V.A.

What the A.V.A. is and how it is administered is no less amazing than what it does. The test is just a long list of more than 100 adjectives that

(CONTINUED ON PAGE 24)

Show 1952 Life Insurance Results

	New Bus. 1952	New Bus. 1951	1952 Inc. In Force	1951 Inc. In Force
North American Reassurance	130,455,200	112,328,100	55,748,700	48,142,100
Penn Mutual	325,802,594	275,043,199	170,274,106	124,875,736
Progressive Life, Ga.	16,039,649	10,382,530	5,098,254	7,043,671
Puritan Life, R.I.	2,979,280	932,997	2,228,897	302,573
Pyramid Life, Ark.	13,957,846	13,852,893	4,709,136	4,754,344
Pyramid Life, Kans.	2,761,361	1,508,695	1,043,489	416,490
Rural Life, Tex.	5,862,734	5,605,206	3,494,073	3,902,854
Washington Nat'l	167,614,583	159,248,457	94,879,916	57,807,662
New business figures include revivals and increases respectively, first for 1952: (1) \$1,968,900 and \$2,086,600, (2) \$1,247,110 and \$1,203,598, (3) \$173,310 and \$61,536, (4) \$2,829,958 and \$1,602,825.				

Informal Discussion Topics Announced for Actuaries' Meeting at N. Y., March 26-27

Informal discussion topics for the eastern spring meeting of the Society of Actuaries, Hotel Commodore, New York City, March 26-27, include ordinary insurance, annuities and settlement options, group insurance, pension trusts and the actuarial profession. The final day there will be a forum on economic trends and life insurance conducted by William M. Anderson, vice-president and managing director of North American Life of Toronto.

Presiding the first day will be Malvin E. Davis, vice-president and actuary of Metropolitan Life, and Richard C. Guest, vice-president of Massachusetts Mutual Life, both of whom are vice-presidents of the society. President John R. Larus, who is vice-president and actuary of Phoenix Mutual Life, will preside the second day. The business session and presentation of papers will take place at the opening of the second day's session.

Following is the complete list of topics for informal discussion:

I. Ordinary Insurance

A. Size of ordinary policies and mode of premium payment:

1. To what degree is it practical to differentiate in premium rates for new policies according to their size?

2. What minimums, if any, are applied to premiums collected more frequently than annually? Are the additional charges made for monthly, quarterly, or semiannual payment of premiums sufficient to cover the extra cost? Have any special methods been devised for collecting the smaller fractional premiums?

3. Has there been any substantial increase in recent years in the proportion of ordinary policies written with monthly premiums? Has the persistency experience on such policies been satisfactory?

B. Juvenile:

1. What special underwriting and actuarial problems arise in connection with level premium juvenile policies which provide for a substantial increase in amount of insurance upon the insured's attaining age 21?

II. Annuities and Settlement Options

A. What practical considerations are involved in deciding whether or not to adopt projected mortality rates in connection with individual annuities, settlement options, retirement income policies, and the various forms of group annuities? If projected mortality rates are not used, what methods of providing for decreasing annuitant mortality are practical?

B. In view of increased administrative expenses, what are the arguments for and against imposing limitations on the granting of settlement options with respect to size of policy? Is it practical to provide for the expense of administering supplementary contracts other than through the use of conservative mortality and interest assumptions?

III. Group Insurance

A. Group accident and health:

1. How important has over-insurance become in the underwriting of group hospital and surgical insurance? Are steps being taken to eliminate: (a) Duplication of benefits under group insurance, Blue Cross and Blue Shield, employees' mutual benefit associations and individual insurance plans, and (b) Covering the spouse twice—as an employee under one plan and as a dependent under another plan?

2. What has been the experience as to claims under the extended medical or catastrophe type of coverage? Have any companies developed sufficient experience to indicate whether there is need for a reappraisal of the fundamen-

mental assumptions made when this business was first undertaken?

B. Group life insurance:

1. What recent developments have occurred with respect to group permanent insurance? What are the current problems in this field?

2. What modifications, if any, have been made in the conversion privilege for larger amounts of group permanent insurance?

3. What methods have been found satisfactory for continuing group life insurance on retired employees?

IV. Pension Trusts

A. What are the advantages and disadvantages in the pension trust field of using the whole life plan for the basic policy and accumulating an auxiliary fund to supplement the pension provided by that policy? What arrangements have been found desirable in the provision for the auxiliary fund?

B. What procedures are used in providing pensions for substandard or uninsurable risks?

V. The Actuarial Profession

A. To what extent are the number of actuarial students currently employed by the companies sufficient to provide foreseeable future needs?

B. What methods are now being found successful in recruiting actuarial students?

C. What further steps might be taken to bring the possibilities of an actuarial career to the attention of high school graduates and college students?

D. What contacts should the profession maintain with the universities?

E. To what extent should the Society of Actuaries, actuaries' clubs or individual companies encourage more colleges to develop courses in actuarial science?

March National Advertising Listed

Following is the national advertising which life companies have reported for March issues of the publications listed. Where no date is indicated the publication is a monthly magazine.

Bankers Life—Successful Farming; Time, Mar. 2.

John Hancock—Life, Mar. 9; Newsweek, Mar. 16; U. S. News & World Report, Mar. 13.

Lincoln National—Better Homes & Gardens; Saturday Evening Post, Mar. 14, 28.

Massachusetts Mutual—Saturday Evening Post, Mar. 21.

Metropolitan Life—American Magazine; Business Week, Mar. 14; Collier's, Mar. 14; Cosmopolitan; Forbes, Mar. 1; Good Housekeeping; Ladies' Home Journal; McCall's; National Geographic; Newsweek, Mar. 16; Saturday Evening Post, Mar. 7; Time, Mar. 2; U. S. News & World Report, Mar. 6; Woman's Home Companion.

Mutual Benefit—Saturday Evening Post, Mar. 14; Scholastic Magazine, Mar. 4, 18.

Mutual of New York—Collier's, Mar. 28; Life, Mar. 23; Newsweek, Mar. 9; Saturday Evening Post, Mar. 14; Time, Mar. 9.

National Life of Vermont—New Yorker, Mar. 28; Newsweek, Mar. 23; Saturday Evening Post, Mar. 14; Time, Mar. 9.

New England Mutual—Business Week, Mar. 7; Newsweek, Mar. 16; Parents Magazine; Saturday Evening Post, Mar. 14; Time, Mar. 23; Wall Street Journal, Mar. 3; 11 college alumni magazines.

New York Life—Business Week,

Mar. 28; Collier's, Mar. 21; Country Gentleman; Fortune; Ladies' Home Journal; Life, Mar. 9; Nation's Business; Newsweek, Mar. 23; Successful Farming; Time, Mar. 23.

Northwestern Mutual—Newsweek, Mar. 16; Time, Mar. 2, 30.

Penn Mutual—Saturday Evening Post, Mar. 21.

Prudential—Sunday magazines (97 papers) through This Week, Parade and independent Sunday magazines, Mar. 15.

Security Mutual of New York—Today's Woman.

New Group Filing Rule Promulgated by N. Y. Department

NEW YORK—The New York department has promulgated detailed rules for filing group A.&H., group annuity and group life insurance forms, rates and commissions in New York state.

The filing requirements, prepared by department personnel in cooperation with an industry committee, are designed to streamline policy form examination and to implement section 225 of the insurance law, enacted in 1952, which enables the superintendent to fine insurers or producers for willfully violating the filing requirements of the law.

Deputy Superintendent Murphy emphasized that the rules apply to all group forms including so-called "tailor made" policies. The latter contracts are not specially treated in the rules, Mr. Murphy explained, because these special forms must be submitted to the department for approval before they become effective. He added that in no event can a company use a form unless it is approved by the department.

While the rules do not specifically provide for the submission of supporting data in the case of group A.&H. rate filings which differ materially from rates generally used by the company making the filing, the department expects companies to furnish such information to expedite review of the filing. In this connection, the various trade organizations in the A.&H. field have agreed to encourage their members to supply such information to the department. Such information should include the experience or statistical data of the insurer relied on to develop the rate, and the experience of other insurers or other relevant data.

Equitable Promotes Meaney to Higher Group Post

NEW YORK—Thomas A. Meaney has been advanced by Equitable Society from associate director of group annuities to deputy director. He has been with the company about 20 years.

G. F. Sterns Resigns

G. F. Sterns, assistant superintendent of agencies of Guarantee Mutual Life, has resigned.

Mr. Sterns at one time was general agent at Des Moines for Kansas City Life and Berkshire Life.

Named Agency A. & H. Head

Eston V. Welchel has been appointed Newark accident department branch office manager for Provident Life & Accident. He joined the company in 1950.

Eston V. Welchel has been ap-

Records and Progress Feature Life Company Figures for Last Year

COLUMBIAN NATIONAL

New record figures for Columbian National Life in 1952 are reported by Chairman Francis P. Sears and President Julian D. Anthony. Assets jumped \$5 million to total more than \$100 million. Capital and surplus increased to a new high of \$10,300,000 or 13.22% of the annuity and policy reserve.

New business paid for was \$71,250,000, up \$11,300,000. All departments showed increases. Insurance in force was \$415,054,670, a gain of better than \$29,300,000.

LIBERTY LIFE

Liberty Life in 1952 experienced one of the best years in its history, it is reported by Francis M. Hipp, president. An increase of \$51,856,447 in insurance in force brought the total to a record high of \$538,546,771.

Other principal gains were \$6,560,062 in resources and \$925,701 in surplus to policyholders. Liberty Life now has \$63,714,114 in assets and \$7,106,115 in capital and surplus funds. Last March capital was increased by \$1 million by a 100% stock dividend.

Payments to policyholders and beneficiaries reached a peak of more than \$4,260,000.

The company hopes to begin construction of its new home office building in Greenville sometime this summer, dedication of the structure to coincide with its 50th anniversary in 1955.

NORTH AMERICAN L.&C.

A record 31% sales increase was attained in 1952 by North American Life & Casualty, according to President H. P. Skoglund.

New life insurance put in force amounted to \$55,069,507, bringing the total to \$230,936,388, Mr. Skoglund reported.

Assets exceed \$14 million, a 15.5% increase. Mortgage loans have increased to \$6,619,697, a figure representing 1.64 for every \$1 invested in bonds.

A.&H. premiums now exceed \$4 million.

UNITED, CHICAGO

Total income of United of Chicago during 1952 increased more than \$9 million to an all-time record, exceeding \$31 million. Insurance in force jumped from \$258 million to \$327,665,000. Assets amounted to \$38,500,000 a gain of \$9 million. Capital and surplus now total \$5,500,000.

According to Chairman O. T. Hogan, the company expects a gain in premium income of at least \$10 million in 1953 as a result of the merging of four sizable companies with United. It also expects to pass the \$500 million insurance in force mark.

UNITED STATES LIFE

United States Life reports that ordinary production for 1952 was \$42,218,941, a 38% increase. Ordinary insurance in force reached \$260,793,011. Total insurance in force, which includes ordinary and group, is \$533,495,739. A. & H. premium income for the year was \$1,199,706 and group premium income was \$7,804,480. Assets increased \$6,592,412, reaching \$56,070,187. Capital and surplus funds increased \$450,-

(CONTINUED ON PAGE 24)

'53 Who Writes What Contains Wealth of New Information

The new 1953 *Who Writes What?*, the unique annual reference book that provides instant answers to all sorts of "who-will-write-it" questions, is just off the National Underwriter Co. press. It is arranged by subject, rather than by company, and tells at a glance which companies will write each of the many life and A.&H. coverages currently being offered.

To find the answer to any particular question with *Who Writes What?*, one consults the comprehensive index, turns to the section indicated and then reads the list of companies that offer the contract or form desired. Considerable information about many contract provisions and company practices is also presented in similar convenient form.

Among the general classifications of subjects treated in *Who Writes What?* are surplus business, term insurance,

non-medical, disability, investment contracts, A.&H., single premium contracts, substandard, aviation, pension plans, advance premiums, limits and group.

Since many of the subjects are of somewhat an overlapping nature, the book is not divided into specific sections, but each subject is carefully indexed under the numerous questions it answers.

While previous editions have covered about all the subjects that have seemed appropriate and useful, some of the new subjects added for 1953 illustrate the detailed scope of *Who Writes What?* For instance, the 1953 edition includes for the first time: (1) single premium term, which is written by only six companies; (2) graded premium contracts, written by eight companies; and (3) dividend scale variations. It shows that 12 companies pay different dividends on contracts involving disability or double indemnity.

Individual medical catastrophe is another subject included for the first time this year. The treatment of such medical impairments as diabetes, heart disease, blood pressure, tuberculosis, ulcer, etc., and several other important subjects, have been completely revised

in the new edition. All subjects have been brought up to date. Selling singly at \$3.50, the new *Who Writes What?* may be obtained immediately from the National Underwriter Co., 420 East Fourth street, Cincinnati 2, or any National Underwriter office.

R. B. Wallingford to CLU Post

Robert B. Wallingford has been appointed a member of the staff of American College. He will assist Dean Davis W. Gregg with promotion and public relations. Mr. Wallingford, a recent graduate of University of Pennsylvania, is the son of Eldon Wallingford, assistant general counsel of Life Insurance Assn. of America.

Heth Los Angeles A.&H. Head

Donald G. Heth has been named head of the A.&H. department of the Continental companies at Los Angeles. He was transferred to Los Angeles from New York.

Ready Boston Congress Card

Speakers have been announced for the annual sales congress sponsored by Boston Life Underwriters Assn., scheduled this year for March 26.

They are W. Walter Smith, Metropolitan Life, Rutherfordton, N. C.; David B. Fluegelman, Northwestern Mutual Life, New York City, president of N. A. L. U.; John Adam, Jr., New England manager of Central Mutual Ins. Co.; William T. Earls, general agent of Mutual Benefit Life, Cincinnati, chairman of the Million Dollar Round Table, and Claris Adams, president of Ohio State Life.

Vogel Leads Columbian Nat'l

The William S. Vogel agency at Newark, with production exceeding \$4 million, was the Columbian National Life 1952 leader, with the runner-up spot going to the Harmelin agency at New York City.

The Richardson agency at Boston was first in new A. & H. premiums, followed by the Quinby agency there.

No. 1 in personal production was Theodore A. Johnstone, general agent at Kansas City. In second spot was John E. Miller, co-general agent with Mr. Johnstone.

Recruiting Is L. A. Topic

Recruiting was the theme at the February meeting of Los Angeles A. & H. Managers Club, with Milton L. Rose, Massachusetts Protective, past president, leading the discussion. On how new agents are secured, it was brought out that agents already in the organization, newspaper advertisements and personal observation are regarded as the best sources.

In discussion of how to develop the new man and sell him on the business after he is contracted, the prevailing view was that it should be on a career basis. It was declared by those participating that proselyting was taboo.

Elect Gunn Vice-president

J. M. Gunn, western agency director for Coastal States Life, has been elected vice-president.

L.O.M.A. Proceedings Issued

Printed proceedings of Life Office Management Assn.'s spring and annual conferences of 1952 are being distributed.

Dividend Table Correction

The accumulated dividend statement for Jefferson Standard, which appeared in the Feb. 20 issue of *THE NATIONAL UNDERWRITER*, should have read 4% instead of 3%.

Institute Sponsors Eight Workshops On Family Security

Scholarships supported by funds from the Institute of Life Insurance and awarded by eight universities will enable 330 high school teachers and other educators to study ways of teaching financial security in classrooms. The institute committee on family financial security education sponsors the courses, which will be held at Connecticut, Denver, Miami, Pennsylvania, Southern Methodist, Virginia, and Wisconsin universities this summer. The purpose of the workshops is to encourage more and better teaching of money management and financial security in schools and colleges. Subjects include income, budgeting, banking services, life insurance, general insurance, social security, savings programs, personal taxes, borrowing and buying on credit, home ownership, investments and other phases of financial training. All the workshops offer credit for graduate degrees. The workshops were started at the University of Pennsylvania four years ago. The committee sponsoring the workshops is headed by Dr. Herold C. Hunt, general superintendent of Chicago public schools.

Sustain Cal. Crackdown on Military Life Selling

SAN FRANCISCO—The rigid insurance department policy against companies which misrepresent policies and sales to service men, will be continued under an order given to Commissioner Maloney by Gov. Warren. The drive has already brought about suspension of California Life from military solicitation for 60 days and suspension of the license of Charles A. Jones, Jr., general agent for the company at Oakland, for 225 days.

The problem was discussed at the monthly meeting of the governor's council.

Nelson Now General Agent

Berkshire Life has appointed Roy G. Nelson general agent at Mineola, Long Island, N. Y.

Starting with Berkshire's Thorne agency at New York in 1942, Mr. Nelson went to New Haven in 1947 as general agent. He rejoined the Thorne agency in 1950 and has been associate general agent. Mr. Nelson is a past president of New Haven General Agents & Managers Assn.

Confirm Pansing in Neb.

Thomas Pansing has been confirmed by the Nebraska legislature as insurance director.

Elmer M. Scheele, Lancaster county deputy attorney, has issued an opinion that there is no legal conflict between Mr. Pansing's position as director of insurance and his county job as chairman of the tax reappraisal committee, stating that there is no constitutional or statutory legal conflict which would prevent him while insurance director from continuing as chairman of the tax committee.

Expansion Move Studied

Lawrence S. Morrison, formerly research consultant with L. I. A. M. A., is in Milwaukee with Old Line Life analyzing the company's agency contracts and general operations in connection with contemplated territorial expansion. Mr. Morrison is now an independent consultant.



to our POLICYHOLDERS,
AGENTS and STOCKHOLDERS

Your company has completed another successful year writing \$111,000,000 of new business to make a total of \$752,223,552 of insurance in force.

At the close of the year, Southland Life had assets of \$158,702,335.19. Over \$65,000,000 of these assets are invested in mortgage loans on homes, farms and in industry while over \$67,000,000 are invested in stocks, bonds and other high grade securities. A detailed report, showing financial statement and distribution of invested funds, is being sent to policyholders and stockholders. This report will be sent to others on request.

AN INVESTMENT IN YOUR OWN FUTURE

When you invest your premium dollars with Southland Life, you are investing in the future of your country, as well as in your own and your family's future security and income.

Get acquainted with our local Southland Life Representative. He is carefully selected and trained to help you provide for your future and the future of your family and business.

SOUTHLAND LIFE
INSURANCE COMPANY

Serving Since 1908
JOHN W. CARPENTER, President Home Office: DALLAS

DIRECTORS

John L. Briggs, Dallas • W. L. Candor, Dallas • Ben H. Carpenter, Dallas • John W. Carpenter, Dallas
R. L. Dillard, Jr., Dallas • W. S. Dorset, Sherman • Leland S. Dupree, Dallas • Ted B. Ferguson, Dallas
Edward L. Francis, Dallas • W. H. Francis, Jr., Houston • S. G. Gernert, Taylor • John E. Mangrum, Dallas
Dallas • Homer R. Mitchell, Dallas • Ben G. Sewell, Houston • Dr. Hall Shannon, M.D., FACS, Dallas
H. D. Shuford, Tyler • Leslie H. True, Dallas • Dan C. Williams, Dallas • Roy W. Willoughby, San Angelo

REVIEWS OPINION RANGE

B. N. Woodson Describes Public's View of Career Agent at N. Y. Assn. Rally

What the public thinks of the career life agent was discussed by B. N. Woodson, managing director of National Assn. of Life Underwriters, at the New York State Assn. of Life Underwriters Managerial Conference at Saratoga Springs. Following is a condensation of the main portion of his talk:

In appraising the public's acceptance of the career agent we should try to keep on an even keel. It hasn't improved so much as we make out in selling the business to a potential recruit or so little as we make out when we are crying about it. Like law and medicine, we have our share of stumblebumps but isn't it true, as a noted general agent once told me, that "everyone respects and admires the successful life underwriter"?

One reason there is so much confusion about the public's acceptance of the career agent is that the range of agents' prestige is so wide, from extreme low to extreme high, probably greater than in any other occupation. The public's acceptance of the agent is determined by the agent himself rather than by the public, to a greater extent than in any other business.

What is the difference in prestige of the agent now as compared with 25 years ago? There was an occupational ceiling on even the best life agent a quarter-century ago that doesn't exist today. For the individual agent today there is no occupational ceiling to hamper him. There is a tendency to confuse sales resistance with public disapproval. A prospect's unwillingness to dig down and pay for insurance doesn't mean a low regard for the agent.

What is the factor most responsible for the improvement in the public's acceptance of the career agent? It's the cumulative effect of the industry's entire effort in that direction.

What has been N. A. L. U.'s part? It has unified the field force, stamped out the evils of twisting and rebating, given impetus to training at all levels—C. L. U., L. U. T. C., and campus courses. It has worked for improvement in legislation, the dignity of the job, standards of practice, agents' welfare (commissions, contractual provisions, pensions), and acceptance by the public.

How professional should we try to get? Life insurance selling is not a profession but it could be called a professional type of enterprise or a business with professional overtones. We might well apply the term "professional" in the sense that we apply it to a professional golfer, that is, "damn good at his job," rather than in the sense the word is applied to a doctor, which seems a little visionary as applied to life insurance sales work.

The future of the life insurance agent's career: "I'm not bubbling with enthusiasm, what with the existence of social security, National Service life insurance, mutual funds, group insurance, private pension plans, (many of them uninsured)."

There is a tendency for the quarter-million-dollar producer to be squeezed between the constantly increasing efficiency of the debit agent on the one hand and the estate planner and the "hot-shot" on the other.

But there is usually a compensatory trend when things are unfavorable. In a bull market people buy life insurance out of profits; in a bear market, to offset estate shrinkage. In inflation they buy because "fathers are worth more"; in deflation, because all other

investments look unsafe in comparison. Those with social security buy to supplement it; those who haven't social security buy because they haven't got it.

Earl Schwemm, Chicago manager of Great-West Life, says, "There's always a money wind in life insurance," and I'm optimistic enough to agree with him.

Settlement options have been restricted, dividends have been cut, but life insurance still looks better than ever, in relation to other sources of security. I think we're doing a good job of teaching the public that.

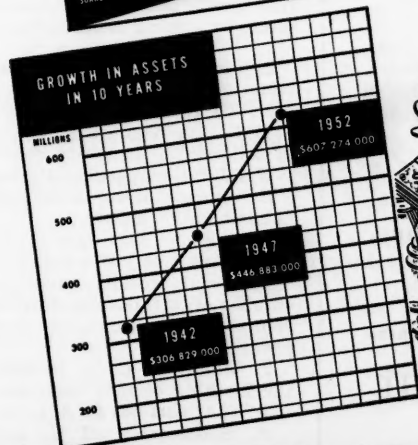
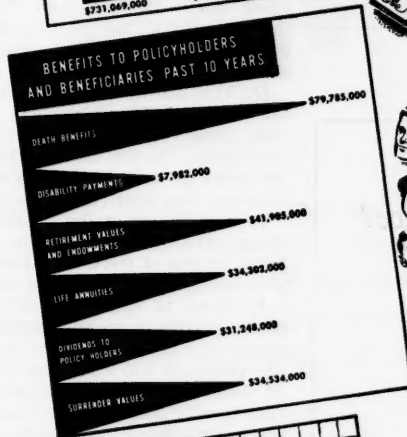
Better than all that is to observe the middle-income producers selling more business life insurance as compared with personal insurance.

I'm encouraged at the number of middle income producers who say they're getting 40, 50, or 60% of their production from business insurance as against only 5 or 10% five years ago. As we lose business from some quarters we may be gaining through life insurance from life insurance bought out of business, rather than personal bank accounts.

Mr. Woodson read answers to these



The Phoenix Mutual presents its 102nd ANNUAL REPORT



New life insurance sales of \$124,109,000, reached an all-time high . . . they exceed 1951 by 23%.

Insurance in force showed a gain of \$72,881,000, the largest increase for any year . . . it exceeded the gain for 1951 by 45%.

Total insurance in force reached a new high of \$1,240,282,000.

Benefits becoming payable to policyholders and beneficiaries were by far the largest for any year and totaled \$30,716,000.

Premiums received during the year amounted to \$49,616,000 — a gain of 6% over 1951.

ASSETS

United States Government Bonds	\$ 98,146,032
All Other Bonds	174,546,561
First Mortgages on Real Estate	279,276,632
Real Estate (Including Home Office)	5,596,433
Stocks	8,015,907
Policy Loans	26,013,065
Cash	3,878,779
Interest Due and Accrued	4,883,317
Deferred and Outstanding Premiums	6,917,427

Total \$607,274,153

LIABILITIES

Reserves for Insurance and Annuities	\$449,871,919
Policyholder Funds at Interest	100,360,417
Reserves for Dividends Payable in 1953	4,679,928
Incomplete Claims	1,922,886
Reserves for Taxes and Miscellaneous Purposes	11,174,726
Contingency and Security Valuation Reserves	8,898,100

Total \$576,907,976

Surplus 30,366,177

Total \$607,274,153

The full text of the President's Report and the latest Financial Statement will be sent upon request.

PHOENIX MUTUAL LIFE INSURANCE COMPANY

OF HARTFORD, CONNECTICUT



STABILITY

One basic philosophy guides the thinking of those in charge of maintaining West Coast Life Stability... to see to it that promises made are promises kept in all the Company's policies, come what may.

WEST COAST LIFE

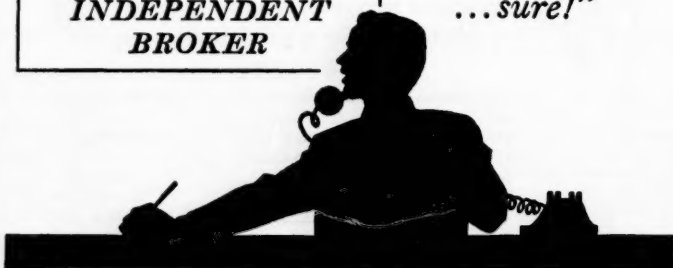
INSURANCE COMPANY

HOME OFFICE • SAN FRANCISCO

LIFE • ACCIDENT • HEALTH • GROUP

"Life Insurance?
...sure!"

INDEPENDENT
BROKER



Your nearest Connecticut General brokerage office now can give you all the advice, specialized service, sales and promotion assistance you'll need to handle life coverage profitably.

Get the details: Telephone the Connecticut General

office nearest you or write now to Connecticut General Life Insurance Company, Hartford, Connecticut.

Your own life insurance department... as close as your phone

Connecticut
General

five questions on public acceptance of the career agent which he had recently put to six successful agents. He identified them only as "A," an outstanding personal producer, who is a life and qualifying member of the Million Dollar Round Table; "B," a woman who is a consistent quarter million dollar producer and several times an M.D.R.T. qualifier; "C," manager of a very successful combination agency; "D," manager of a general agency specializing in estate planning; "E," an M.D.R.T. personal producer specializing in big cases, pension planning, etc.; "F," a retired general agent of one of the most successful general agencies in the country (later identified as Ralph G. Engelman, until recently general agent in New York City for Penn Mutual).

Here are the questions and answers:

1. Is there a difference in the "climate" in which the agent works today as compared with when you entered the business?

Agent A: The public has begun to recognize the agent as an important part of the economy. When I entered the business life insurance was considered the last resort of the unsuccessful. Today young people go to college with the intent of making a career in life insurance.

B. When I entered the business with the intent of selling to women there was no place to go to learn how. I had to go to a university and dig out the answers for myself. Today the agent has a better chance. Also public relations in the business has improved greatly, although it still has a long way to go. I believe there should be a woman at N. A. L. U. headquarters specializing in public relations, particularly where women are concerned.

C. Today the public knows as much about life insurance as the average agent knew 25 years ago. The agent therefore has to be much better equipped in order to keep ahead of his prospects.

D. The public has come to accept the value of life insurance. There is now little difficulty in making appointments. In the mind of buyer it is not whether he will buy life insurance but only how much can he afford.

E. Acceptance of the programmer is at an all-time high. Public considers agent as one of team of advisers, along with lawyer, trust man, and accountant.

F. There is very little difference in climate. Only a small segment of the public knows even slightly more about the values of life insurance than it did 25 years ago. We should face this fact realistically and not just convince ourselves by talking to ourselves.

2. What factor do you consider most responsible for the change?

A. C. L. U., L. U. T. C., Purdue, S. M. U., the Wharton school; emphasis in colleges on insurance courses.

B. Education, particularly L. U. T. C. C. Improved training and supervision of combination agents.

D. The fact that agents sell service and a plan, not just a policy.

E. Social security, government insurance on servicemen, corporate pension plans, plus continuing work of the agent himself.

F. Mainly C. L. U., to some extent the Institute of Life Insurance.

3. What part has N. A. L. U. played?

A. Sponsorship of C. L. U. and L. U. T. C., constant stress on professional aspect of selling.

B. Service at state, local, and national levels, particularly in aiding women agents.

C. Sponsorship of cooperation with trust officers, lawyers, accountants at

the local level; promotion of education through C. L. U. and L. U. T. C.; newspaper publicity on national quality awards.

E. Getting the companies to regard the agents as an integrated force in the business.

F. C. L. U. movement and other educational and public relations programs, but there's still a long way to go.

4. How "professional" can (or should) we get?

A. We must raise our qualifications so bankers and lawyers accept us for the special knowledge we can contribute.

B. We've grown from "policy peddlers" to professionals with a skilled relationship to our clients.

C. "Professionalism" is all right but we must never lose sight of the need to sell.

D. Life insurance can be sold on as high a level as the agent wants to sell it.

E. We are forced to be more and more professional by the demands of the public, corporate buyers in particular.

F. Unfortunately, we are still talking like professionals and selling like amateurs. We have a tendency to point up our training programs to reach or service only a very small segment of the population: 95% of the population is in the under-\$7,000 a year class. It is among the remaining 5% that we have gained prestige. But if we don't learn to reach the 95%—and that must be done by selling—we have failed in our responsibilities.

5. What future do you see for the agent, in view of the extension of mass selling, government encroachment, etc.?

A. There'll always be a place and a need for the trained career agent.

B. Government encroachment is serious. Strengthening the relationship between the agent and N. A. L. U. will help, will make N. A. L. U. more powerful.

C. There will always be a place for the specialist but the squeeze is on for the average life insurance salesman. If I were starting in the business today I'd go into the general insurance field in self-protection.

D. No reason to fear government unless it takes over the business entirely. Government steps thus far have increased sales for the alert agent.

E. Future will be increasingly bright but for a smaller number of agents in proportion to population.

F. The future will change the agent's job. The average agent hasn't earned the right to success because he hasn't reached the \$3,000 to \$10,000 income groups. The whole nation is insured for much less than a year's income. People of means are insured to such an extent that when the amount is averaged out, those down the line are insured for little or nothing. We must change our direction, find new merchandising ways. In the over-all picture the M. D. R. T. producer is unimportant. There is always, of course, a place for specialists. But the big need is in the lower echelons. I am far less scared of government encroachment than I am of our not doing the job that needs to be done for the great mass of the population.

To Weigh Substandard Risks

At a joint meeting of Chicago Home Office Life Underwriters and the Chicago Actuarial Club March 11, Dr. W. F. H. O'Neil, medical director and vice-president of Franklin Life, will discuss "The Underwriting of Highly Substandard Risks."

TO CITE CORRESPONDENCE

United Gets Set for Its Hearing on Cal. Advertising

United of Chicago, which along with World of Omaha is facing accusations by the California department of false and misleading advertising on A. & H. insurance, has secured from superior court of San Francisco a temporary restraining order directing Commissioner Maloney to stop proceeding with the case until subpoenas are served on other companies transacting A. & H. business in California in order to have them bring their advertising into court. United will attempt, as will World, to show that its advertising corresponds to that used by other companies in California.

United will also include in its brief copies of correspondence carried on by C. O. Pauley, managing director of H. & A. Underwriters Conference, with Frank Fullenwider, deputy California commissioner. Mr. Pauley asked Mr. Fullenwider if, in order to avoid unfavorable publicity for the business as a whole, the department would hold an informal conference on this problem similar to the one held on group insurance last year. Mr. Fullenwider replied, however, that the department would not agree to this until after the pending actions against World and United had been completed.

Mr. Pauley's first letter was sent in December, 1952. He said that he had talked with company officials and found that there is "a great deal of confusion and uncertainty as to what constitutes proper advertising. I am sure that most companies want their advertising to be above criticism, but the subject has not been given much consideration on an industry-wide basis and no general criteria have been established. For that reason I believe that an informal conference, similar to the conference on group insurance held earlier this year, would be helpful both to the industry and to the department."

Mr. Fullenwider answered that he feels there is a difference in the problems presented by the group situation and advertising. "Misrepresentation in accident and health advertising is, in our opinion, different in that it is not only a violation of law," he said, "but is a violation of generally accepted moral and ethical standards. It is a matter concerning which this department and other regulatory officials have been critical for some time, but concerning which that portion of the accident and health industry which uses the 'broadside' method of selling has done little insofar as self-improvement is concerned. To a large extent the same tendencies toward a flamboyant and grossly exaggerated representation of benefits and a total silence with respect to exceptions and reductions which pertained a decade ago still exists."

"There is, in our opinion, a further difference between the situations pertaining to group practices and those pertaining to misleading advertising—that is, that the group practices were apparently indulged in by both insurers against whom this department receives many complaints and those against whom very few complaints are registered. On the other hand, the type of advertising mentioned above is not in general use by many of the insurers and in most instances is used by the same insurers against whom we received policy complaints and whose

agents are the subject of frequent disciplinary actions."

Mr. Fullenwider went on to say the department would agree to a conference, but it would not issue a bulletin calling it—that would have to be done by H. & A. Underwriters Conference and Bureau of H. & A. Underwriters. The conference could not be held until the World and United cases had been completed, and could not be considered in lieu of or a termination of any investigations or disciplinary actions which would at the time be before the department. "Such investigations and

such actions will continue to final termination just as though the conference were not held." He further said the conference would have to concern itself with matters of principle and not with a detailed analysis or advance approval of individual company advertising, the main subject to be an attempt to establish a mutually agreed basis for advertising and "not with an attempt on the part of insurers who may be under investigation or against whom disciplinary actions may be pending to gather 'evidence' which may be used against the department."

In view of this, Mr. Pauley replied that since the conference could not take place until after the World and the United cases were settled, a decision on holding it could be postponed. He noted that the statute under which the department is proceeding in these cases is a penal one and if a company should be held to have violated the law, not only is its license subject to suspension, but one or more of its officers might be subjected to a fine or imprisonment.

"There are no definitions, guideposts, or even a statement of general

President's organization award

● Congratulations to the five agencies winning The Connecticut Mutual's Organization Award for 1952. This is presented annually by President Peter M. Fraser in recognition of the best records in sound agency building and development among the Company's 80 agencies.

Winners of the award are: The Purves Agency, Albany; The Smith Agency, Atlanta; The Love Agency, Hartford; The Josephson Agency, New York; and The Mollenauer Agency, Philadelphia.

The entire Connecticut Mutual organization, both at the Home Office and in the Field, congratulates these agencies for a job well done.



The Connecticut Mutual
LIFE INSURANCE COMPANY • Hartford



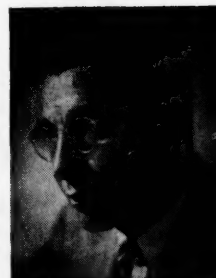
Albany's James T. Purves has been in the life insurance field since 1926. He was appointed general agent for The Connecticut Mutual at Albany in 1944.



Atlanta's P. L. Bealy Smith has been in the life insurance field since 1931. He was appointed supervisor for The Connecticut Mutual at Atlanta in 1937 and in 1941 was advanced to general agent.



Hartford's Ralph H. Love has been in life insurance since 1925. He came with the Company ten years ago as Agency Manager in Cincinnati. In 1945 he was appointed Agency Manager at Hartford, and in 1946 he was made General Agent there.



New York's Halsey D. Josephson has been in the life insurance business since 1930. He has served as agent, supervisor and general agent. He came to The Connecticut Mutual as General Agent in New York in 1949.



Philadelphia's Vernon S. Mollenauer first joined the company in 1928 as an agent at Pittsburgh, becoming a supervisor there in 1938. In 1941 he was advanced to general agent at Philadelphia.

FIDELITY

A WELL-BALANCED COMPANY



Balance Speeds Progress.

The better the balance...
the easier the progress.

Fidelity is
a well-balanced company.

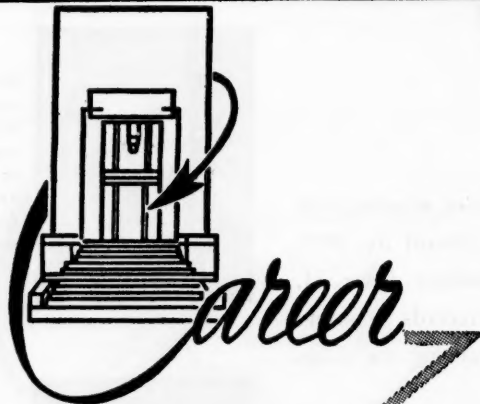


75th
Anniversary
1878 - 1953

The FIDELITY MUTUAL LIFE INSURANCE COMPANY

THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA • PENNSYLVANIA

PLAN A



There's something extra for you in a career with Lutheran Mutual

When the insurance you write stays on the books, it means greater renewal commissions. Conservative management and a low mortality rate result in low net cost, and that means higher dividend payments.

According to our latest annual report, the amount of insurance that was added to our total was 77.9% of the insurance written. Then, too, our ratio of actual to expected mortality was only 25.9%. Because of these favorable features, our men sell the best at a minimum cost.

Your life underwriters contract with Lutheran Mutual is a passport to security for you and for the people you serve.

Write today and learn how dealing with a select group of clients can mean larger commissions and greater opportunities for you.

Openings for Lutherans in 21 States

with **Lutheran Mutual**
LIFE INSURANCE COMPANY
HOME OFFICE • WAVERLY, IOWA

principles to guide a company in preparing its advertising and sales literature," he observed. "I have discussed this with numerous company officials and no one seems to have any definite idea of how to construct advertising material so as to be effective and yet avoid a charge of misrepresentation.

"I had hoped that through a conference between leaders of the industry and the insurance department, a general understanding could be reached which would achieve the results desired by the department and avoid numerous prosecutions with their attendant unfavorable publicity.

"The harm done by such publicity cannot be confined to the companies which may eventually be proven guilty, but the long drawn out hearings and litigation result in publicity which injures the business as a whole. Nor is the loss confined to the companies alone, for it is impossible to estimate how many people remain without protection either by lapse of policies or failure to buy, because of lack of confidence induced by such publicity.

"Even after the final disposition of the present and proposed hearings, the result is likely to be inconclusive as a guide to what is proper or improper in advertising and sales promotion. I am still in hopes that some more satisfactory method of solving this problem may be found."

B. D. Hughes General Agent for Equitable Life of Iowa

B. D. Hughes, Jr., has been appointed general agent in Memphis and west Tennessee for Equitable Life of Iowa.



B. D. Hughes, Jr.

Mr. Hughes joined Equitable in 1948, moving to Memphis in 1949. In 1950 he was appointed agency supervisor there. He is secretary of Memphis Life Underwriters Assn.

Keep Present Setup for D. C. Department, Insurers Urge

WASHINGTON—Representatives of the insurance business at a conference here with District of Columbia officials urged rejection of the projected merger of the D. C. insurance department into a proposed department of industrial relations under a reorganization plan for the District's government.

Representatives of the District's special insurance industry committee and an American Life Convention spokesman pointed out that the insurance business in the District is a large and important element in the District's economy and should continue to be supervised by an insurance department that reports directly to the District's board of commissioners.

American Life Convention said that regulation of insurance by independent departments has proved successful. Furthermore, "An experienced agency of government, possessing the decisiveness of an independent agency, is able to expeditiously provide regulation without the damaging delay inherent in multiple layers of subordinated government agencies."

Those present were District Commissioner Renah F. Camalier; Schuyler Love, director of the D. C. department of general administration, who is in charge of the reorganization program; Edward J. Schmuck, general counsel of Acacia Mutual; Howard M. Starling of Assn. of Casualty & Surety Companies; Victor D. Schinnerer, chairman of the insurance committee of Washington Board of Trade, and Robert A. Crichton, of the A.L.C. Washington office.

Why AMERICAN MUTUAL LIFE IS A GOOD COMPANY TO REPRESENT

★ SALABLE MERCHANDISE

1. Policies from one day to 65.
2. Waiver of Premium plus Income Disability.
3. Non-medical up to \$5000.
4. Special Term Riders.

★ LIBERAL COMPENSATION

1. Career contracts available.
2. Special Brokerage contracts.
3. Persistency bonuses.
4. Full commission on preferred risk policies.

★ A HELPING HAND

1. H. O. Training Schools.
2. Prize Winning Sales Aids.
3. Regional Meetings.
4. Production Clubs Conventions.

A General Agency Company

Write H. S. McConachie
Vice Pres.

AMERICAN MUTUAL LIFE INSURANCE COMPANY

DES MOINES 7, IOWA

Money Talks

It Says - Good Producers will see a lot more of me with No Increase in Effort with a Mutual Savings Life

DIRECT CONTRACT

DIRECT CONTRACT opportunities in Indiana, Ohio, Iowa, Kentucky, Missouri, Arkansas and Mississippi. A complete line of:

LIFE • ACCIDENT • SICKNESS • HOSPITALIZATION

Your reply held confidential. Write to:
J. DeWitt Mills, Supt. of Agents

MUTUAL SAVINGS
Life Insurance Company

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ST. LOUIS 12, MO.

United Benefit Life Makes Several High Level Appointments

Several top level appointments have been made by United Benefit Life.



Murray Longworth

Murray Longworth has been advanced from vice-president to executive vice-president, Dr. Neil L. Criss, medical director, has been elected vice-president and Frank Hannan, assistant secretary and chief underwriter, has been elevated to secretary.

In addition, Arthur W. Larsen and Richard L. Daly have been elected



Frank Hannan



Dr. Neil L. Criss

directors. Mr. Larsen has served the company as vice-president and actuary for five years. Mr. Daly, who also has been elected treasurer, since 1950 has served United Benefit as assistant treasurer.

W. Dale Clark, chairman of Omaha National Bank, was named chairman of United Benefit.

Mr. Longworth has been with United Benefit since 1935; Dr. Criss joined the



Arthur W. Larsen



Richard L. Daly

company when it was founded 26 years ago, and Mr. Hannan has been with the company 11 years.

Retaliatory Bill in Ia.

A retaliatory premium tax bill has been favorably reported by the Iowa house insurance committee. It is expected to raise state revenues by \$200,000 annually. Foreign companies will be required to pay the same premium tax as charged Iowa insurers in their states. All companies now pay a 2% premium tax in Iowa, but 16 other states have a higher rate on life companies and 28 states higher for fire and casualty.

The senate insurance committee has reported to pass a bill to increase payment for state insurance examiners working outside of Iowa from \$150 to \$180 a week.

The senate insurance committee also O.K'd a bill to require new corporations formed to write other than life insurance to incorporate as corporations for pecuniary profit.

A bill has been put in the hopper to require in the event of cancellation of an automobile policy that the company would upon request in writing from the policyholder state its reason for

cancellation. The insurer would be protected from libel, slander, or defamation of character in giving this information to the policyholder.

Agency Holds Sales Clinic

Participating in the sales clinic conducted by the Howerton agency at Charlotte for Connecticut Mutual, were Vincent B. Coffin, senior vice-president; Dr. D. Sergeant Pepper, associate medical director; P. L. Bealy Smith, general agent at Atlanta, all of Connecticut Mutual; William T. Earls, general agent for Mutual Benefit at Cincinnati; and Sadler Hayes, agent at New York for Penn Mutual.

Hot Hearing on Plan to Probe Ariz. Benefit Companies

The Arizona senate insurance committee had a stormy session last week on a proposal to investigate domestic benefit companies. There were about 200 persons on hand. Most of the witnesses were in support of the investigative move, and highly critical of the way Arizona benefit companies operate.

It was charged that political pres-

sure has been exerted on Arizona corporation commission's insurance division to favor certain companies; legal reserve life company spokesmen said the benefit companies have sales methods that mislead the public, and the insurance department was described as totally inadequate to effectively examine and regulate the insurance business under the present laws.

Harry Nason, former commissioner and now secretary of Arizona Assn. of Insurance Agents, relating incidents of alleged political influence, declared, "I was told to lay-off." Asked to iden-

NATIONAL LIFE'S

103rd

ANNUAL REPORT 1850-1952

The operating results of a mutual life insurance company adequately can be appraised only as the company fulfills its obligations. It is believed that application of this standard to National Life's activities in 1952 will reveal another highly gratifying year of public service.

Benefits paid to policyholders and beneficiaries aggregated \$28,569,050.

Dividends—As a result of reports of improved earnings to the October meeting of the Board of Directors, it was voted to increase the Company's dividend scale for 1953. In the statement, \$8,150,000 has been set aside for 1953 dividends.

Reserves established to ensure the Company's ability to meet future obligations totaled \$430,676,248 at the year-end, an increase of \$24,060,620 over last year. All of these reserves were computed at an interest rate of 3% or less.

New insurance sales in 1952 were the largest total amount in the Company's history, aggregating \$140,574,364, an increase of \$11,235,138 over 1951. This record not only reflects confidence in the Company, but constitutes a high compliment to the ability and training of the Company's field forces.

Insurance in force at the year-end attained a new all-time high and totaled \$1,310,876,920 and the Company's assets for the first time exceeded one-half billion dollars. The Company also experienced favorable mortality during 1952.

Investment income totaled \$17,797,443 or \$1,217,998 more than in the preceding year. The Company earned on its investments 3.47% before Federal income tax, and 3.25% after income tax, compared with 3.43% and 3.21% respectively in 1951. The earning rate before Federal tax was the highest since 1943. The Federal income tax totaled \$1,060,000 for 1952, and reflected an increase of \$105,000.

For the eleventh consecutive year no bond in the statement was in default. Dividends on preferred stocks all were current. All of the bonds in the statement are shown at amortized values while stocks are shown at market values in accordance with the requirements of the National Association of Insurance Commissioners.

Security valuation reserves at the year-end totaled \$1,781,486, substantially above the minimum amount required by the National Association of Insurance Commissioners.

Unassigned surplus—After making provision for all operating expenses, after the payment of all types of taxes, after providing for all claims, benefits, reserves and an increased dividend scale, it was possible to add \$2,953,279 to the surplus, bringing it to \$26,865,221. Especially favorable results of the Company's activities in 1952 and continuing emphasis on improved operating efficiency made possible this substantial addition to surplus.

DEANE C. DAVIS, President

DIRECTORS

Edward S. French—Chairman of Board, Boston and Maine R. R.
Hall P. McCullough—Lawyer
Ernest M. Hopkins—Chairman of the Board

George H. V. Allen—Trustee, Middlebury College
Ralph E. Flanders—United States Senator

Lewis B. Williams—Chairman of Board, National City Bank of Cleveland
John R. McLane—Lawyer

Lloyd D. Brace—President, First National Bank of Boston

L. F. Whittemore—President, Brown Company
Deane C. Davis—President

L. Douglas Meredith—Executive Vice President and Chairman, Committee on Finance

Geoffrey S. Smith—President, Girard Trust Corn Exchange Bank, Philadelphia

John H. Patrick—Treasurer, Blodgett Supply Company

103rd ANNUAL STATEMENT of FINANCIAL CONDITION — December 31, 1952

ASSETS

Cash on Hand and in banks.....	\$ 5,180,869
Bonds:	
U. S. Gov't—Direct or guaranteed...	34,576,186
State and Municipal—United States...	327,106
Public Utility.....	67,768,940
Dominion, Provincial, Municipal—	
Canada.....	5,909,316
Industrial and Miscellaneous.....	20,279,107
	128,860,655
Preferred Stocks at market quotations..	11,139,898
First Mortgage Loans:	
City	
Insured by Federal Housing Administration.....	200,549,331
Guaranteed in part by Veterans' Administration.....	57,926,015
Other.....	52,120,751
Farm.....	4,138,687
	314,734,784
Second Mortgage Loans fully guaranteed by Veterans' Administration.....	7,744,978
Real Estate at cost or less:	
Purchased for Investment.....	14,436,883
Under Contract of Sale.....	118,170
Home Office Building.....	1
	14,555,054
Loans on Company's Policies.....	16,416,630
Premiums Receivable.....	8,133,936
Accrued Interest and Rents.....	2,748,879
Other Assets.....	2,585,451
Trust Funds for taxes, etc. held for Mortgages.....	5,130,438
TOTAL ADMITTED ASSETS.....	\$517,231,572

LIABILITIES

Policy Reserves:	
Insurance.....	\$308,365,956
Annuity.....	66,000,231
Policy Benefits left for future income payments.....	56,310,061
	430,676,248
Policy Claims in process, including provision for claims unreported.....	2,049,916
Policyholders' Deposits:	
Dividends left at interest.....	19,928,066
Future Premiums Discounted.....	13,525,824
	33,453,890
Provision for 1953 Dividends.....	8,150,000
Provision for Taxes payable in 1953...	1,868,953
Agency and Investment Items in Process	946,928
Pension Reserves—Employees and Agents Contributory Plans.....	2,923,735
Other Liabilities.....	2,634,757
Trust Funds for taxes, etc. held for Mortgages.....	5,130,438
Security Valuation Reserve.....	667,424
Total Liabilities.....	\$488,502,289
Surplus to Policyholders:	
Voluntary Security Valuation Reserve	\$ 1,114,062
Reserve for Building Improvement..	750,000
Unassigned Surplus.....	26,865,221
Total.....	\$ 28,729,283
TOTAL LIABILITIES AND SURPLUS	\$517,231,572

Bonds carried at \$260,113 in the above statement are deposited with four States as required by law.

NATIONAL LIFE Insurance Company, Montpelier VERMONT

tify who exerted this influence, Mr. Nason declined, saying, "I'm not quite that bold." He did suggest that the insurance division should be taken out of the corporation commission and established as an expanded separate state agency.

Much of the testimony against benefit companies was directed specifically at National Life & Casualty of Phoenix, whose president is Robert H. Wallace, chairman of the house insurance committee. The chairman of this firm is Michael O'Sullivan, renowned two-gun former president of American Farmers of Phoenix which was merged with National Life & Casualty not so long ago. Mr. O'Sullivan frequently interrupted the hearing to challenge the attacks on the benefit insurers.

William Huie, Business Men's Assurance, in urging the investigation, blasted the sales and promotion methods of some benefit companies, calling them "stock promotional deals of the most objectionable sort."

Robert K. Tubman of Bankers Life of Iowa, specifically challenged the accuracy of statements in promotional literature of National Life & Casualty.

Willis Hayes, former insurance examiner, said a report he once made on conversion of benefit companies into legal reserve companies had been pigeon-holed and never made public.

Rollo Norton of Lincoln National Life, commenting that four members of the legislature are members of the regional executive council of National Life & Casualty, said: "What I'm wondering is, is the house of representatives running this company or is the company running the house of representatives?"

Laurens L. Henderson, Phoenix attorney, representing Assn. of Arizona Insurance Companies, protested that the move for an investigation "cast a stigma on the benefit companies." Mr. O'Sullivan claimed the testimony had cast "a reflection on the insurance companies of Arizona."

New Ariz. Code Probably Will Be Delayed a Year

A delay until the next legislative session, for study purposes, is the probable fate of the new Arizona insurance code. Representative Robert H. Wallace, chairman of the house banking and insurance committee, who presided at a hearing on this subject last week, declared that "in all probability" it will be impossible for the legislature to act on the code at the current session.

The big battle is between the legal reserve life companies and the Arizona domestic benefit companies. The fire and casualty people had only minor suggestions, and the feeling is that their differences could be compromised rather easily. The code is written so as to be all-inclusive, however, and for that reason the possibilities of multiple line legislation in Arizona this year are dim, since it is considered too late to file a separate bill for that.

Raymond Huffsteter, an attorney employed by an insurance man to analyze the bill, criticized several sections of the code, principally one which would exempt the benefit companies from provisions of any future laws or amendments unless they were mentioned specifically by name. He was also critical of a provision classifying benefit companies with fraternal organizations, and granting special provisions for examination of their agents. The benefit companies had no suggestion to make at the hearing, they merely filed a letter requesting extension of one year for further study. This action was followed then by the Life Underwriters Assn. and Arizona Assn. of Insurance Agents.

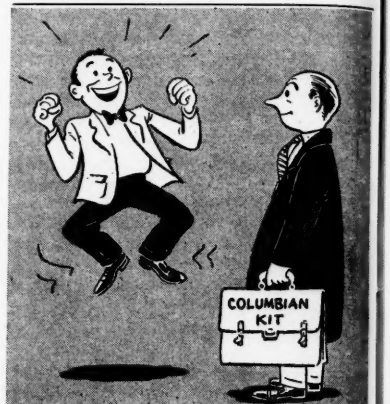
Mr. Wallace, who heads the house

insurance committee, is president of National Life & Casualty of Phoenix, one of the benefit companies.

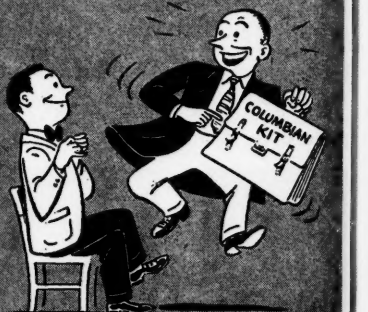
Wanless Forms Law Firm

J. Thor Wanless, assistant director of the Illinois department, along with James C. Craven and William M. Giffin has opened a law office at Springfield under the name Wanless, Craven & Giffin.

Mr. Wanless, formerly with the now dissolved law firm of Hershey, Bliss & Wanless at Taylorville, Ill., will be on leave of absence while serving with the department.



"My future's good,
I'm set to go!
But as of now
I'm low on dough!"



"Modified Five is
Designed for you.
For the slow first year
to see you through!"

Modified Five

... In combination with
our double and triple
or family income
— a combination certain
to make policy holders
out of prospects.



1902 Our Fifth Year 1952

**The COLUMBIAN NATIONAL
LIFE INSURANCE Company**

BOSTON 12, MASSACHUSETTS

ANICO representatives
are Anico's best
advertisements

FRED E. HILL Mgr., Washington Ord. Agency

Fred Hill typifies the careers being built all over the country with Anico. He came with Anico as a representative in October of 1943. In 1946 his progress earned promotion to supervisory capacity as a district manager. He was appointed, because of his demonstrated recruiting and training ability, to open an Ordinary Agency in Washington in 1948. At the close of 1952 his agency stood first in paid business volume in the entire Eastern and Southern Ordinary Division. Fred Hill says: "Our record proves that if you will follow the Anico career program and use Anico sales plans and aids, you can grow with Anico."



You can grow with ANICO

- ★ A working contract that permits outstanding earnings.
- ★ Policies that stand out in value against any competition.
- ★ A management philosophy that is based on the axiom that a company succeeds only when its agency force succeeds.
- ★ The most modern and effective selling aid program that can be devised.

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Over 2½ billions
of life insurance
in force

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Insurance Company**

W. L. MOODY, JR., PRESIDENT

GALVESTON, TEXAS

**QUALITY
MARKS**

"One of The Best"

Purely Mutual Operation
Over Half Century Service
Highest Possible Rating
Very Low Net Cost
Growth... 50% in 6 years
\$365,000,000. Insurance
\$123,000,000. Assets
\$ 10,500,000. Surplus



NEW HOME OFFICE UNDER CONSTRUCTION

Trained General Agents
Trained Life Underwriters
Generous Compensation
Liberal pensions
Modern underwriting
Right size to serve
Right size to be friendly
Ideal midwestern location

Life Underwriters and General Agency minded men Both
like "ONE OF THE BEST" FOR A BETTER FUTURE.

CENTRAL LIFE ASSURANCE COMPANY • DES MOINES, IOWA

Ga. Court Directs Not Guilty Verdict in A. & H. Bootleg Case

RINGGOLD, GA.—B. M. Brown, supervisor of Bankers Life & Casualty at Chattanooga, accused of "bootlegging" an A. & H. policy across the Georgia state line, was judged not guilty on a directed verdict by the circuit court here.

The case has received wide attention in the southeast, since it is considered to be part of a feud between Bankers L. & C. and Commissioner Cravey of Georgia. John MacArthur, president of Bankers, attended the trial in person. Mr. MacArthur has a damage suit for \$1 million pending against Mr. Cravey and Reserve Life of Dallas as co-defendants.

Testimony at the trial revealed that one of Mr. Cravey's agents, T. B. Littlefield, disguised as a service station attendant and using a fictitious name, invited Brown across the border to sell him a policy. He testified he called Brown from a service station about two miles inside Georgia.

Judge Freeman McClure, acting on a motion by Bankers' attorneys, held the case should not be decided by a jury, commenting that Georgia had not abided by the required precepts of legal entrapment in obtaining the arrest. The case actually hinged on whether Georgia proceeded legally in obtaining evidence against Brown and in apprehending him. The state contended that its procedure represented only a "usual and normal temptation" and that it was an insurance agent's "sales talk" that constituted the "criminal acts" by Brown.

Bankers said that the entrapment routine was "illegal and abhorrent" and was effected "to induce the defendant to commit a violation for which he was to be punished" holding that "except for the abnormal temptation" Brown would not have committed the act in the first place.

Executive Secretaries Will Confer at N. Y. March 23-24

NEW YORK—The executive secretaries of the local and state life underwriter associations will hold a two-day meeting at National Assn. of Life Underwriters headquarters here March 23-24. At a similar meeting last fall following the N.A.L.U. convention it was decided to hold conferences annually at national headquarters to discuss local and state association problems and projects and how better to coordinate the work of the local and state units with N.A.L.U. operations.

Joy M. Luidens, Chicago association, and George Hester, Alabama association, are co-chairmen of the group.

Engelhardt Ass't Secretary

Raymond P. Engelhardt has been appointed assistant secretary of Lamar Life. Mr. Engelhardt joined the company in 1946 as assistant auditor. He is an air force veteran.

Durna, Retiring, Honored

Joseph J. Durna, attorney with Prudential for 41 years, was honored at a dinner which marked his retirement. Mr. Durna, who was born in Turkey and came to this country in 1896, joined Prudential in 1911. While working at the home office, Mr. Durna studied law at New Jersey Law School.

L.O.M.A. Grads Hear Wilgus

Management training must cover the range of management responsibilities, not merely isolated trouble

spots, George Wilgus, personnel manager of Mutual Life, declared at a meeting of Society of L.O.M.A. graduates at New York City.

Mr. Wilgus said management training must concern itself with what men do, not what they have to learn. He added that it must leave the trainee with the will to continue to educate himself and others.

• Belvedere House, Inc., a Dallas apartment building, has received \$2,100,000 in financing from New York Life.

Georgia Assn. Caravan To Leave Atlanta March 25

The 1953 Life Insurance All-Star Caravan, sponsored by Georgia Assn. of Life Underwriters, will leave from Atlanta March 25 for a tour of the state.

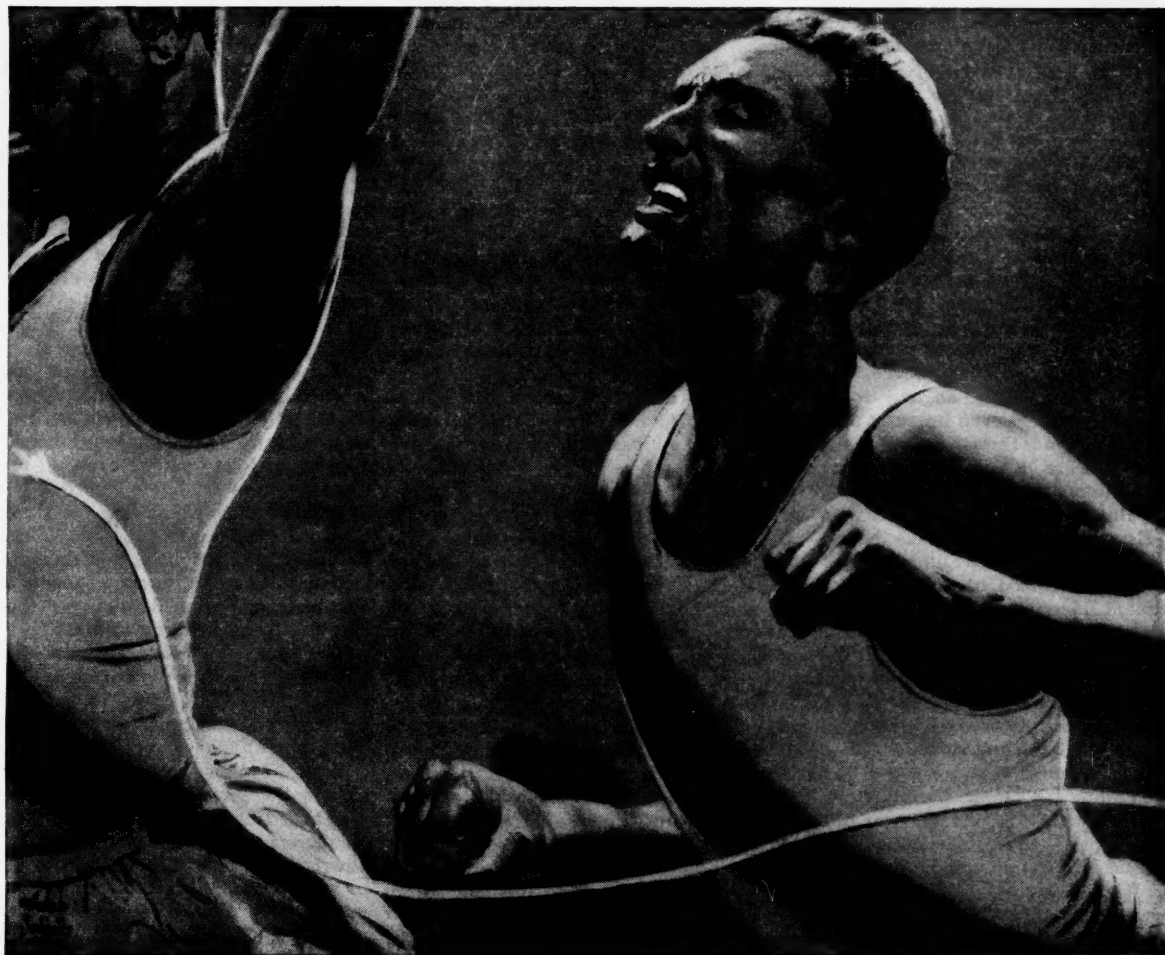
Speakers, who will offer selling and servicing pointers, are Stanley N. Murphy, associate general agent at Natchez, Miss., for Penn Mutual; Powell Stamper, assistant vice-president, National L.&A.; Lewis T. Stearn, Northwestern Mutual, Minneapolis; and C. L. O'Quinn, assistant general agent at

Laurel, Miss., for Aetna Life.

More than 1,700 agents are expected to hear the talks. Chairmen of the caravan for their respective cities are Richard A. Hills, Aetna Life, Atlanta; Edwin W. Highsmith, New York Life, Macon; Thomas K. Rice, Life of Virginia, Augusta, and Calvin Cherry, New York Life, Savannah.

General chairman is M. Drennan Dobbs, Life of Georgia, Columbus.

• Edward M. Glancy, Johnstown, Pa., staff manager for Prudential, was cited for long service, receiving a diamond locket for 30 years with the company.



He comes in second

EVERYBODY likes a winner, and there are always people ready to cheer for a good loser. But who ever heard a song for the man who comes in second?

So this is in praise of the almost-winner, the nearly-champion, the next-to-the-biggest, the second-best. This is the song of Mister Two.

You hear unflattering names for Mister Two. "Also-ran," they call him, and "runner-up." Names that make you think of a fellow who couldn't quite make it.

Don't let that fool you.

Ask the winner of any race how good a man is Mister Two. He'll tell you it's Mister Two who made him run so fast, Mister Two pressing hard at his heels, threatening always to overtake and pass him.

Ask the salesman who won the contest what kept him plugging after hours, looking for the extra order.

Ask the directors of the giant corporation why they keep changing their product, seeking the new improvement, the added advantage. What drives them? What keeps them hopping? It's the salesman with nearly as many orders.

It's the company with the product almost as good.

It's Mister Two.

In this country, we're proud of the quality of our champions. Our big men come very big. Our fast men run very fast. Our wise men are the wisest and our great men are the greatest that a country could hope to be blessed with. And why is that? Couldn't it be because, hot on the heels of every champion, runs a great Mister Two? Couldn't it be because great Mister Two's grow naturally in a land where the race is always open and everybody can run?

So this is for you, Mister Two. This is your song. This is for all the days you tried for first, and came in second. It's for the nights when you wonder if you ought to go on trying, since nobody seems to notice...

We notice, Mister Two. We know the score. Winner or not, you're a natural champion. There couldn't be a race without you, Mister Two.

John Hancock MUTUAL LIFE INSURANCE COMPANY
BOSTON, MASSACHUSETTS

EDITORIAL COMMENT

A Lesson from the Gizmo Industry

Mightn't the serious problem of attracting the right type of agents and keeping a respectable percentage of them from failing their way out of the business be helped by setting up an experimental intercompany cooperative agency department, dedicated to unearthing and developing the most effective generally usable methods best adapted to available types of recruits? Possibly this would be an adjunct to L.I.A.M.A.—a sort of pilot plant in which to try out principles and methods distilled from research in the field.

This idea is not original with us, but is inspired by the phenomenal success of this set-up in the gizmo industry, which was confronted with merchandising problems very similar to those in life insurance. As a result of meeting this challenge, the gizmo industry has enjoyed spectacular progress unparalleled anywhere. Fifteen years ago hardly anyone could be found who had even heard of a gizmo. Today, who is there who hasn't at some time heard a garage mechanic say, "Hand me that gizmo, willya, Bill?"

But for all the tremendous need for gizmos, they wouldn't sell themselves. Like life insurance, Fuller brushes and the brotherhood of man, it took personal salesmanship to get people to accept them. Most gizmo manufacturers favored the commission basis. In fact, other methods, including mail order, got almost nowhere.

Some manufacturers, though, paid such high commissions at first that there seemed to be a danger of overcharging the public. The state of New York, with the erratic watchfulness over prices that it sometimes displays, enacted a complex and high restrictive set of restraints on acquisition costs and commissions.

Then, too, some manufacturers began developing the gizmo from a relatively simple, easily sold device into something operating with electronics tubes, multiphase shielding, and other fancy components that required a salesman to be something of an electrical and mechanical engineer. The public liked these elaborate models but they cost more to sell and service. The earlier system of selling had been to give a new salesman a price list and a bunch of gizmos and tell him that nearly everybody was a prospect—which was very close to being true.

A lot of salesmen flopped, of course. This was obviously because they were miscast as salesmen, since many other salesmen on the same commission scales

were making more money than the presidents of their companies. The high turnover didn't matter much, however, because there was little or no investment in the salesman's training and almost no financing. Besides, there were always more recruits to be lured into the business, attracted by the success of salesmen who were riding around in fish-tailed Cadillacs.

As time went on, though, with more highly trained salesmen selling more complicated gizmos, the old method of recruiting salesmen bogged down. Turnover figures that could be shrugged off when nobody spent money on training or financing became serious when a salesman could leave the business after his branch manager had invested a lot of time and money in his training and also had financed him to the tune of a couple of thousand dollars.

It was a terrific problem. The industry formed the Gizmo Sales Research Bureau to investigate what the smarter operators were doing and what improvements could be made.

Some improvement resulted but it gradually became clear that while helpful statistics and facts could be obtained from the operations being studied, there was such a variety of sales methods in use and so many variables involved that it would be almost impossible to devise a specific, virtually sure-fire procedure based on existing methods. The answers were doubtless all there some place but there were too many of them.

So an experimental sales department was set up to devise a standard sales and management technique. There was no thought of trying for the ultimate perfection, any more than a gizmo manufacturer tries for Rolls-Royce fit and finish in what he manufactures.

The aim was to devise a procedure that would produce a respectable batting average in the hands of the kind of managerial and sales manpower available—"available" meaning not just obtainable but capable of being selected reasonably accurately through selection techniques at hand or capable of being devised.

The biggest part of the problem was that nobody really knew what to teach the new salesman and how to teach it to him. At least, not to the extent that branch managers could tell a salesman that if he did precisely as he had been instructed he could be assured of successful results.

"What we wanted to develop was a

complete sales technique that could be successfully used by any man with enough aptitude to get through our screening process," said the manager of the pilot plan when interviewed. "Actually, there is no single sales method that is ideal for every fellow with sales aptitude. But with several standard patterns developed there's no trouble picking one that is suited to the personality of practically anybody we regard as qualified. We can not tell him, 'You do this and this and this and you'll make a living selling gizmos.'

"We'll miss occasionally, but we'll be right plenty often enough so our branch managers and distributors can bet all the money it takes to train and supervise the new salesmen. They couldn't do this before we had this experimental setup because nobody really knew for sure how a successful salesman operated. Sure, we listened to them tell about how they did it, but a successful salesman is like a successful actor—if he's any good he's usually anything but analytical and objective.

"We tried to go at the problem scientifically, and that means that you can take a method used in one place and produce the same results under similar conditions anywhere else. We can't do that 100%, of course, but we can come a lot closer to it than we ever did before. We keep trying to improve but at least we know we have a sound core of sales techniques to build on. We can state our methods in sufficiently objective and specific terms so they can be followed and we'll know whether they are being followed or not.

"One thing we found out was that the salesman had to be too many different kinds of an expert. He was supposed to sell, of course, but he also had to dig up his own prospects, do his own direct mail work, work out his own written proposals, manage his own time, keep his own records, and do a lot of repair and service work that is now handled by a separate service department. Now that our salesmen have nothing to do but sell, they make a lot more money and the various other operations are handled by men and women who can handle them better and at a lower cost. We also have evaluated the use of direct mail, and other promotional helps, so we can use them in an organized, effective way, and not just in whatever way strikes some salesman's fancy."

Getting back to reality temporarily, is it entirely fantastic to believe that a pilot agency department, set up to develop standard sales techniques, might be worth its cost in cutting down the turnover among life agents and the consequent loss of money, time and manpower? Isn't it possible that there is a lesson from manufacturing techniques, which have far outstripped the

advance in sales techniques? An essential part of successful mass production in industry is standardization of product and manufacturing process, not to produce the finest possible product—though it may—but to produce a product that can be sold profitably, with due consideration for the type of raw material, personnel, and processing techniques available. A manufacturer that employed mass production methods based on the use of the old guild type of skilled craftsman would probably go broke, for an essential of mass production is ordinarily the use of procedures adapted to the general run of help that is available.

While set up to experiment with any conceivable ideas that might be regarded as having practical possibilities, much of the cost of operating this pilot agency plant would be offset by sales that would be made by the agents cast in the role of guinea pigs. But in any event it would seem that the possible gains to be realized from the development of sales techniques of proven soundness would vastly more than offset any possible cost of operating the experimental plant. And with the backing of any substantial number of companies the funds available should certainly be ample to finance all the research that would be necessary.

As a matter of fact, this proposal is not so very different from what the John Hancock and some other companies are sponsoring in New England, a corporation set up to investigate and develop advanced techniques of manufacturing and production. If it can be done in industry, why not in the field of selling?

PERSONALS

W. Ray Hutch, general agent at Buffalo for Aetna Life, has been appointed chairman of the Downtown division of the 1953 Red Cross campaign in Buffalo.

Herbert S. Manthe, manager at Newark for Mutual of New York, has been appointed director of the Bloomfield, N. J. Community Chest drive.

Grady H. Hipp, executive vice-president of Liberty Life, has been elected president of Greenville, S. C. Community Chest.

Col. Paul H. Brown, the Texas fire commissioner, who has been in the hospital at Dallas in a coma since Feb. 9, has made only a slight improvement. Mr. Brown suffered a stroke two or three years ago from which he never completely recovered.

Charles W. Campbell, recently appointed vice-president for the south-

THE NATIONAL UNDERWRITER

—LIFE INSURANCE EDITION
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175 W. Jackson Blvd., Chicago 4, Ill.
CIRCULATION OFFICE:
420 E. Fourth St., Cincinnati 2, Ohio

ATLANTA 3, GA.—433 Hurt Bldg., Tel. Walnut 9801. Carl E. Weatherly, Jr., Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421, Tel. Liberty 2-1402. Wm. A. Scanlon, Vice-Pres.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2764. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Manager.

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 2140. Chas. P. Woods, Sales

Editor: Robert B. Mitchell
Associate Editors: John C. Burridge, Charles C. Clarke and F. A. Post.
Assistant Editors: Ellsworth A. Cordesman, William H. Faltyssek and Warren Kayes.

Director: George C. Roeding, Associate Manager: George E. Wohlgenuth, News Editor: Roy Rosenquist, Statistician.

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DES MOINES 12, IOWA—3323 Grand Avenue, Tel. 7-4477. R. J. Chapman, Resident Manager.

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Executive Editor: Levering Cartwright.
Production Manager: Carl L. Wood.
Teletype CG-654



KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-3958. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

Howard J. Burridge, President.
Louis H. Martin, Vice-Pres. & Secretary.
John Z. Herschfeld, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-2706. E. H. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Jack Verde Stroup, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

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central division for Prudential, this month is completing 30 years with the company.

James W. Tyson, general agent at Richmond for Massachusetts Mutual, has been named general chairman of the budget and maintenance committee of Richmond Chamber of Commerce.

A. F. Burton, founder and president-emeritus of Life & Casualty, has left on a month's holiday in Florida.

J. Marshall Lockwood, claims representative at Kansas City for Pacific Mutual Life, has been elected president of Life, Accident, Health & Hospitalization Service Assn. there.

William M. Anderson, vice-president and managing director of North American Life of Toronto, and Mrs. Anderson are vacationing at Delray Beach, Fla. They will be there until the Society of Actuaries meeting in New York City, March 26-27, at which Mr. Anderson is scheduled to conduct a forum on economic trends in life insurance.

Ferrel M. Bean, general agent for John Hancock Mutual Life, Chicago, retirement plan consultant for American Chamber of Commerce Executives, will address that body at a meeting at San Antonio March 9.

Ralph H. Kastner, general counsel of American Life Convention, will be honored March 19 at a meeting of the organization's executive committee at Lincoln, Neb., for "his 30 years of loyal service."

DEATHS

SCOTT M. BURPEE, general agent at Sioux City for Northwestern Mutual since 1923, who retired in 1951, died there.

E. M. MOORE, manager at Wheeling, W. Va., for Provident L. & A., died after a heart attack in Wheeling. He was 65. Mr. Moore, who had been at Wheeling for four years, had served the company at Rome, Ga., and Chattanooga.

ROBERT L. OTT, 75, Life of Virginia, Richmond, died in a hospital there. He started in the business with Equitable Life of Washington, D. C.

Figures from Life Companies' Year-End Statements Shown

	Total Assets	Increase in Assets	Surplus to Policyholders	New Bus. 1952	Ins. in Force Dec. 31, 1952	Increase in Ins. in Force	Prem. Income 1952	Benefits Paid 1952	Total Disburs. 1952
All American, La.	2,032,525	368,511	497,675	29,207,654	77,301,100	22,952,698	1,554,921	467,250	1,542,591
American Home Life	6,250,909	522,706	444,906	3,371,202	31,455,372	194,132	839,243	278,300	671,310
Baltimore Life	46,237,406	3,289,351	3,062,806	39,517,257	242,557,403	9,938,211	8,059,681	2,857,790	9,803,425
Central Assurance, Ohio	1,166,223	133,680	529,672	1,204,587	5,212,082	302,021	356,015	119,007	260,472
Central Standard Life	87,254,747	2,812,262	8,881,001	45,019,780	345,686,157	8,557,868	10,219,412	5,460,862	12,252,433
Commercial Life, Phoenix	3,637,927	51,613	466,717	3,302,186	28,434,963	467,519	827,972	537,712	926,275
Equitable Life, Wash.	66,682,232	6,669,376	7,458,257	44,872,365	333,578,188	18,425,443	10,884,461	2,744,841	6,747,956
Fidelity Mutual Life	267,326,059	13,368,275	11,058,430	76,253,097	753,049,611	45,835,626	23,743,332	14,501,423	24,779,428
General Life, Ga.	398,567	131,293	177,342	5,845,964	9,449,237	4,734,482	279,735	20,831	263,149
Globe Life	6,774,781	200,740	657,470	1,987,616	36,618,084	945,178	821,266	229,952	479,718
Great Southern Life	136,196,765	11,886,300	12,928,405	72,564,142	592,080,462	44,561,834	15,271,696	6,276,716	19,209,643
Guarantee Mutual Life	77,843,323	6,036,122	6,470,894	32,029,857	309,734,410	14,790,604	9,411,410	3,880,680	6,946,968
John Hancock Mutual	3,540,545,595	300,480,422	310,402,238	1,496,604,648	13,383,561,600	993,307,311	513,063,951	253,407,948	377,247,683
Hoosier Farm Bureau, Ind.	11,598,887	2,031,514	1,175,919	18,120,458	98,299,368	13,433,395	3,580,073	1,172,040	3,761,226
Imperial Life, Canada	187,203,171	10,328,543	10,864,172	70,837,178	670,466,858	53,459,815	19,946,188	10,669,623	19,804,938
Kentucky Central L. & A.	13,216,489	1,316,424	3,182,448	60,005,563	122,384,019	7,594,844	7,262,343	1,860,386	6,951,094
LaFayette Life, Ind.	19,869,174	1,706,629	1,834,413	12,081,292	92,871,179	6,136,427	2,661,923	846,306	1,783,286
Michigan Life	11,288,051	735,411	2,266,192	17,296,289	91,170,877	24,377,225	4,110,562	3,204,954	4,515,644
Midland Mutual	75,875,380	4,441,870	5,948,600	27,160,199	240,552,926	15,834,717	6,921,468	3,618,924	6,304,519
Midwestern United, Ind.	2,858,496	645,060	1,000,054	23,545,073	58,271,241	17,823,360	1,450,942	229,506	2,057,632
Mutual Service Life, Minn.	5,241,579	1,133,552	662,930	14,063,687	53,801,793	9,529,719	2,017,035	661,257	1,229,571
National Farmers Union	2,282,286	199,346	433,578	15,405,720	46,054,032	8,261,814	1,244,226	677,989	1,299,571
Northwestern National	229,791,725	15,575,281	12,565,785	109,077,070	1,092,080,457	36,103,849	29,734,807	15,366,660	25,798,232
Policyholder's National, S. D.	33,563,133	4,399,787	2,908,708	23,253,605	146,601,673	12,629,484	5,538,189	1,010,712	3,727,968
Professional, Fla.	1,222,922	258,905	343,754	357,750	2,966,480	243,100	1,307,405	675,899	1,276,458
Security Benefit, Kans.	35,130,433	2,069,196	5,048,828	19,535,583	131,567,432	10,918,300	4,592,506	2,388,836	3,732,578
Security Life & Trust	36,346,843	4,761,698	3,487,264	128,327,181	382,726,751	56,885,901	7,902,817	2,481,250	8,875,633
Shenandoah Life	36,502,896	2,585,051	3,800,000	25,328,499	382,772,687	4,747,767	7,902,817	4,857,031	7,382,918
Southwestern Life	270,392,846	24,751,129	25,479,210	115,132,274	979,721,921	88,614,609	35,360,457	12,386,459	42,939,167
State Reserve Life, Tex.	6,567,211	669,866	699,824	7,058,194	44,978,096	4,494,122	1,068,182	257,680	1,234,509
Sunset Life, Wash.	4,038,805	314,011	773,275	4,051,136	28,999,942	1,556,064	961,774	309,469	2,665,954
United Ins. Co.	38,423,561	8,811,364	5,464,209	133,476,389	327,665,782	69,341,311	29,792,499	9,152,024	21,444,510
Victory Life, Kans.	27,713,602	4,471,524	2,020,899	17,839,396	112,379,378	11,442,784	2,979,777	1,045,589	2,144,510
Western Life, Mo.	1,310,665	164,889	3,956,466	20,234,955	936,300	611,877	190,624	152,844	610,103
Western States Life, N. D.	9,371,609	1,411,054	1,200,400	5,472,849	48,811,443	3,743,977	1,659,835	152,844	610,103
Gleaner Life	12,657,855	601,325	1,135,294	2,919,681	46,832,408	1,207,732	1,098,839	537,334	968,178
Royal Arcanum	29,999,937	283,676	2,164,858	51,116,906	1,306,075	2,139,103	7,274,467	2,724,467
Standard Life Assn., Kans.	10,552,817	47,052	1,039,451	7,144,522	36,036,038	3,752,414	899,375	898,200	1,280,222

(1) Does not include security value reserve of \$26,247. (2) New business figures include \$130,444 of revivals and increases for 1952 and \$105,226 for 1951. (3) Excludes A. & H. premiums. (4) On cash basis. (5) New business figures include \$2,504,493 of revivals and increases for 1952 and \$2,382,117 for 1951. (6) Decrease. (7) New business figures include \$15,523,136 of revivals and increases for 1952. (8) Figures include those for Central Life of Fort Scott, Kansas, reinsured Nov. 3, 1952. (9) New business figures include \$6,314,004 of revivals and increases for 1952 and \$1,043,726 for 1951.

Iowa Legislature Raises Non-Medical Limits

DES MOINES—Iowa legislature has passed a bill increasing non-medical limits from \$5,000 to \$10,000. Included is a provision that if the policyholder passes a medical he may secure another \$10,000 without examination.

It has not been clear whether the present \$5,000 limit was a per-policy limit or the maximum that any one company could issue on a policyholder on a non-medical examination. A \$5,000 per life limit would be lower than the general run of states permit, whereas a \$5,000 per policy interpretation lent itself to easy circumvention, since it would permit the issuance of as many \$5,000 policies as a company cared to sell. The new limit would make it clear that it is the maximum that any company can issue on a person's life.

A bill permitting life companies to sell coverage on persons injured in a steam boiler explosion was also passed. Both bills go to the house.

An insurance committee bill up for consideration would provide that policies filed prior to the 1951 uniform A. & H. law may be used for five years, and that the commissioner may authorize riders for the same period.

Profit for Disability Income

In 1952 profit of 4 1/4% on capital as contrasted with 1.9% in 1951 was realized by Disability Income of Indianapolis. Premium income jumped 19 1/2% and the year's loss ratio was only .92%, Richard Calkins, president, reports.

Oren Pritchard, manager of Union Central Life at Indianapolis, chairman of the state law and legislation committee of National Assn. of Life Underwriters, is chairman.

The company was formed in 1947 to write non-cancellable disability, largely through life agents. The majority of stockholders are either life agents or Indiana physicians and medical men. The company concentrates on selling to professional men and executives.

Magnuson Group Releases Volume IV

WASHINGTON—Volume 4 of the Magnuson commission's report on financing a health program for America deals with medical care, expenditures and deaths, including prepayment and insurance aspects of the problem.

A large amount of statistical matter is presented, including discussions of and tables and charts bearing on costs, payments, benefits, etc., for health, medical care, hospitalization and surgical insurance as provided by insurance companies for groups and individuals, Blue Cross and other plans.

There are special features for certain plans, and specific data for Washington, D. C. and the San Francisco Bay area among others.

The main sources of information were individual insurance companies and associations. Blue Cross, Blue Shield, Health Insurance Council, government agencies, American Public Health Assn., U. S. Chamber.

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ROANOKE 10, VIRGINIA * PAUL C. BUFORD, PRESIDENT

STATE MUTUAL'S 1952 Production Greatest in 108 years

Last year our nationwide field force sold more than \$132 million of ordinary life insurance protection, a 12% gain over 1951 production. Since 1943 State Mutual's annual ordinary paid business has increased at an average rate exceeding eight million dollars a year.

Our Group Division, which has made rapid progress since it was established in 1946, also had a record year in group life volume with a 60% gain over its 1951 production.

STATE MUTUAL LIFE
Assurance Company
OF WORCESTER, MASSACHUSETTS

Pacific Mutual Leaders To Hold 3-Day Conclave

Pacific Mutual's top sales staff, 600 members of the Big Tree Club, will gather in Coronado, Cal., March 9 for a three-day convention. Preceding the meeting the company's agency association will convene across the bay in San Diego.

Executives from the company's home office will attend both meetings. A preliminary reception Sunday evening, March 8, will be presided over by Fred S. Sibley, agency vice-president.

Chester Ashford, 1952 sales leader, with headquarters at McFarland, Cal., will be in charge of most of the business sessions at Coronado. Speakers will include Charlton S. Tibbetts, Los Angeles business man, and Frank Bettger, sales expert and author of "How I Raised Myself from Failure to Success in Selling."

Asa V. Call, president of the company, will address the convention Monday and again at a banquet Tuesday, March 10.

Home office men who will attend the agency association's meeting include Mr. Sibley, Ralph J. Walker, group insurance vice-president, and Erle T. Gilbert, superintendent of agencies.

Hancock, Metropolitan Win Saturday Review's Awards

John Hancock received first award and Metropolitan Life fourth award in the first annual *Saturday Review* advertising awards. *Saturday Review* magazine established the awards to "single out distinguished examples of institutional advertising in the public interest."

In its Feb. 28 edition, *Saturday Review* announced the winners and reproduced John Hancock's advertisement, "He was everybody, grown a little taller", which described Abraham Lincoln, and Metropolitan Life's advertisement, "Ever Think of Diabetes This Way?", which discussed diabetes, its symptoms and its therapy.

Spears New General Agent



Fred W. Spears

Lincoln National has appointed Fred W. Spears general agent at Fresno to succeed Nat S. Vial, who has resigned to return to Theo. H. Davies & Co., Ltd., Hawaii. Mr. Spears, who has had experience in field training and management, is an L.U.T.C. instructor and an air force veteran.

J. H. Brennan in New Post

James H. Brennan has been appointed head of Prudential's Cleveland Brook Park district office, replacing Robert L. Cowden, who was transferred to the Lakewood district office. Mr. Brennan has been on the home office staff and an agent and district manager in Akron.

Mr. Cowden replaces Frank T. Ferris, who retired. Mr. Cowden has been a staff manager, training consultant and regional supervisor.

Agents, Supervisors Confer

General agents of Protective Life held four conferences at which supervisors and agents discussed problems of field men and suggested plans for 1953 production. Home office men attended.

Conference cities were Memphis, Fort Worth, Savannah and Washington, D. C. Similar meetings to study sales techniques, prospecting and recruiting will be held in the future.

Officials of Three Companies Tell of Life Operations

Officials of three Chattanooga insurance companies explained the operations of the industry and its value to business and advertising to members of the Chattanooga Kiwanis club.

Speakers were Floyd Delaney, representing H. Clay Evans Johnson, president of Interstate L. & C.; Robert L. Maclellan, president of Provident L. & A.; and Cecil Woods, president of Volunteer State Life.

Mr. Delaney's theme was investments; Mr. Maclellan discussed personnel, and Mr. Woods treated policy coverage.

Boggs, Herrington Raised

W. E. Boggs, formerly a superintendent for Life & Casualty, at Paragould, Ark., has been promoted to manager of the Memphis No. 1 district.

E. E. Herrington, formerly a superintendent in the Memphis No. 1 district, has been promoted to manager of the Washington, D. C., No. 2 district.

THE UNITY LIFE & ACCIDENT INSURANCE ASSOCIATION

*Insures
The Whole Family*

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S. R. DEMING L. J. BAYLEY
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Accuse Cheek of Alerting A. & H. Insurers to Oppose Cancellation Bill

RALEIGH, N. C.—Two members of the North Carolina legislature have charged that the insurance department had gone out of its way to protect insurance companies by placing them on guard before an A. & H. insurance bill was introduced, allowing them to build up opposition to the measure even before it reached the legislature.

Rep. Arthur Goodman of Charlotte said "the insurance department seemed to be thinking about the companies first, when its primary purpose is to protect the public."

He reported that Rep. Clifton Blue of Aberdeen said "before the bill was introduced, he and others had talked at length with Commissioner Waldo Cheek about it and that even before the final bill was drafted Cheek had a file of protests an inch thick."

Both Goodman and Blue said they could not understand why the department had taken it upon itself to advise the companies of the discussions in advance of the introduction of the bill, the chief object of which is to require hospital and medical service corporations to give a notice of policy termination equal to half the time the policy has been in effect.

Commissioner Cheek, however, said "we were caught in the middle. We already had been thinking about such a bill when these legislators approached us." He said it is the department's policy to advise all interested parties, so far as practicable, of planned legislation because it is deemed best to have thinking of both sides.

Leads Pru for 2nd Year

For the second successive year, Bernard C. Lewis of Prudential's Osborne Bethea Associates agency at Newark won top sales honors among the company's 22,000 representatives.



Bernard C. Lewis

Mr. Lewis, who two years ago gave up a grocery business to embark on an agent's career, registered net paid-for sales of better than \$1,500,000 during 1952. In 1951, his first calendar year in the business, he wrote a net of \$1,200,000.

Mr. Lewis retained the distinction of having written only prepaid business. Since joining the company, he has never turned in an app without an accompanying premium.

Ralph F. Van Fosson, New Orleans, placed second, followed by Norbert J. Busch, Spokane.

Officers for New Assn.

George Weise, Great-West Life, has been named president of the newly-formed Northern New Jersey Group Supervisors Assn. Other officers are William Croland, C. J. Simons Co., vice-president; William J. Presch, Massachusetts Mutual, secretary; Philip F. Aiken, Pacific Mutual, treasurer.

New Premium Pay Plan

Under a new ruling on discounted premiums by Continental Assurance, the amount of premiums paid in advance will be determined by using 2½% interest instead of 2%. Annual premiums will be accepted to pay up to 20 premiums in advance on the discounted basis, not to exceed \$50,000 on any one life.

Payment of excess interest of ½% has been authorized on amounts of more than \$200 which have been on deposit for more than 12 months on the policy anniversary in 1953. Payment of these amounts of excess interest will be made directly to the policy owner.

Seiverling to Harrisburg

Daniel S. Seiverling, formerly assistant director of training, Bankers of Nebraska, has been named general agent at Harrisburg. Mr. Seiverling entered the business in 1944. He is a graduate of the Purdue course and a marine corps veteran.



D. S. Seiverling

Congdon Is Medical Director

The appointment of Dr. Frederick R. Congdon is to that of medical director of Berkshire Life, and not associate medical director, as was erroneously reported Feb. 20.

Round Table of L.A.A. Chooses Chicago Speakers

Speakers for the annual meeting of the North Central Round Table of Life Insurance Advertisers Assn., April 23-24, in the Drake hotel, Chicago, will include Raymond H. Belknap, president of United States Life, and David W. Tibbott, New England Mutual Life, president of L.A.A.

Chairman of the meeting is Robert E. Templin, Northwestern Mutual. Chairmen for individual sessions are: Raymond D. Hamill, Bankers Life of Iowa; Albert N. Beardshear, Ohio National; R. S. Haggman, Kansas City Life; Myron Jones, Union Central; William C. Ellis, American Mutual; and Robert L. Fontaine, Continental Assurance.

Asks World Bank Investment

A Minnesota house bill permits the investment of funds of domestic life insurance companies in the International Bank for Reconstruction and Development.

Another, offered by George French, chairman of the insurance committee, provides that up to \$200 of premiums paid on life insurance policies by one person shall be allowed as a deduction in computing net income.

Sales Publication Carries Article on Franklin Life

The cover of the Feb. 15 edition of Sales Management, a magazine of marketing, carries a photograph of Chas. E. Becker, president of Franklin Life, and an article in the magazine, "What's Behind the Fantastic Upsurge in Sales at Franklin Life," outlines the policies which Becker has introduced during the 13 years he has headed the company.

A colored graph illustrates the company's growth from \$177 million in insurance in force at the beginning of 1940 to \$1,352,638,788 at the end of 1952.

Pension Seminar is Held

Continental Assurance is conducting the first in a series of pension familiarization seminars at its home office in Chicago March 6.

This is to be followed by similar all-day seminars in Los Angeles and San Francisco during the week of March 23 with a fourth school set up for Dallas the week of March 30. East and Atlantic Coast seminars will follow.

The seminar was planned by Peter Hondorp, associate actuary and head of the pension department.



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Associates:
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P.S. Keymen can now have disability monthly income with life insurance through Continental.



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From the security of the individual comes the security of the mass. . . This is the basis for the success of our sales organization. Every member of our sales force is armed with competitive merchandise, backed by a liberal compensation plan and excellent training.

Pan-American representatives are also assured of a secure future through a non-contributory pension plan—plus other benefits such as:



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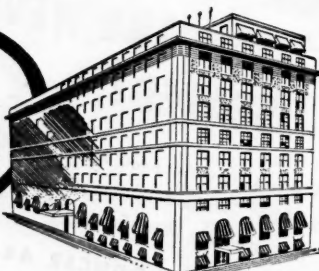
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Vice-President & Agency Director



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HOTEL MONTICELLO
VIRGINIA



HOTEL WADE HAMPTON
SOUTH CAROLINA



ALABAMA
HOTEL ADMIRAL SEMMES.....Mobile
HOTEL THOMAS JEFFERSON, Birmingham

DISTRICT OF COLUMBIA
HOTEL WASHINGTON.....Washington

INDIANA
HOTEL CLAYPOOL.....Indianapolis

LOUISIANA
JUNG HOTEL.....New Orleans
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CORONADO COURTS.....Galveston
MIRAMAR COURT.....Galveston
HOTEL CAVALIER.....Galveston
HOTEL PLAZA.....Laredo
HOTEL LUBBOCK.....Lubbock
HOTEL FALLS.....Marlin
HOTEL CACTUS.....San Angelo
HOTEL MENDER.....San Antonio
ANGELES COURTS.....San Antonio

VIRGINIA
HOTEL MOUNTAIN LAKE.....Mountain Lake
HOTEL MONTICELLO.....Norfolk

Sales Ideas That Work

Outlines Practical Estate Conservation Plan at Chicago Association Forum

A practical plan for estate conservation, designed for a prospect who can afford high premiums but who has reached an age where insurance on his own life ought not to be sold to him because of its high cost, was outlined by Daniel M. Schuyler, attorney, at a sales forum of Chicago Assn. of Life Underwriters.

The well attended gathering climaxed a pair of consecutive Saturday morning sales forums sponsored by the association. Walter C. Leck, general agent for State Mutual Life, and Jack Isaacson, Metropolitan, were co-chairmen for both events.

Mr. Schuyler suggested a careful economic and tax analysis, and he emphasized that it should not be urged unless it will perform a real function in estate conservation. He added that the agent who over-sells life insurance is not true to the trust committed him.

On the other hand, Mr. Schuyler points out that "We are derelict if we do not use all the resources at our command to preserve, within the bounds of propriety, the capital of our clients."

The plan contemplates (1) creation of an irrevocable trust by the prospect, (2) transfer of \$100,000 of assets to the trust, (3) purchase by the trustee of \$150,000 of ordinary life on the life of his son with proceeds payable to the trustee at the son's death, (4) use of income from the trust to pay premiums on the policy, and (5) termination of the trust at or after the son's death. The funds, including the proceeds of the policy, would then be paid to the prospect's grandchild.

Personal data	
Age of prospect	50
Age of son	25
Life expectancy of prospect	21.37
Life expectancy of son	42.12
Financial data	
Present estate	\$ 300,000
Income from present estate	12,000
Income from salary	25,000
Income from pension at 65	10,000
Amount to be placed in trust	100,000
Son's salary after father's death	25,000

In arriving at this proposal, the underwriter must assume that the prospect's financial interest in the trust will be free from estate and inheritance taxes, and that gift taxes involved will not be substantial. Mr. Schuyler noted that income from the trustee's property will be taxed at a considerably lower rate than in the hands of the prospect. Hence the life insurance must be taken out on the life of the son and not on the life of the prospect. Otherwise, income used to pay the premiums would remain taxable to the prospect.

The trust in this case should produce about \$4,000 income before taxes, leaving the prospect about \$18,000

yearly before taxes at retirement. The trust should also produce about \$3,000 after taxes, thus making it possible to purchase \$150,000 life insurance on the son at the favorable age of 25 years. Thus some margin is left for increased taxes or reduced income, either through dividends if a mutual company is used, or through the lower premium rate if a stock company is used.

The following propositions should be assumed under the proposed plan: (1) The prospect's investments will produce a return of about 4% along with the \$100,000 he will place in trust; (2) Income, estate and inheritance taxes will not increase during the lifetime of the prospect or his son; (If they do, the plan will save more unless the increase is great enough to jeopardize payment of insurance premium.) (3) Prospect and son will enjoy full life expectancy. (4) The prospect's wife will live about as long as he does; (If she doesn't, he can no longer make joint returns and his income rates will increase, thus heightening the advantages of the plan.) (5) The prospect does not want to take advantage of the "marital deduction" in his federal estate tax; (6) If the prospect adopts the plan he will save none of his income, but if he rejects the plan he will save all income which the trustee money would have produced for him after taxes.

Also to be assumed is, (7) That the prospect will leave his estate to the son who saves no income, but who would have saved the income produced by the extra capital inherited if the \$100,000 trust had not been created; (8) The son leaves the entire estate to the grandchild; (9) That in computing the amounts which the prospect and son would have saved if the trust were not created it is reasonable to compound the assumed annual savings, after taxes, annually at 2%, since the income on what would be put aside each year would also be subject to tax in a bracket of 50%.

Finally, the prospect, his son and the trustees, should be wise enough as investors to preserve intact the capital committed to their care.

Mr. Schuyler conceded that these are a number of anticipations, but stresses that without them, "you can't make predictions." He adds that the essence of life insurance is the art of accurate predictions.

Considering these assumptions and checking the proposed plan, he went on to discuss its advantages for the

If Plan is Adopted

	\$	\$	\$
Present estate			300,000
Less:			
Amount to be trustee	100,000		
Gift tax thereon	3,600	103,600	
Father's probate estate			196,400
Less:			
Federal estate tax	27,000		
Illinois inheritance tax	3,900		
Costs of administration	11,500	42,100	
Net left to son			154,300
Less:			
Federal estate tax	16,000		
Illinois inheritance tax	1,900		
Costs of administration	9,300	27,200	
Available for grandchild			127,100
Add:			
Trust corpus	100,000		
Life insurance on son	150,000	250,000	
Grandchild's "Inheritance"			377,100

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grandchild.

In the plan, the prospect's estate
has been depleted from \$300,000 to
\$196,400 by the amount placed in trust
and gift tax paid with creation of the
trust. At the death of the prospect,
the federal government, the state, and
attorneys will get another \$42,100, re-
ducing the amount available to the son
to \$154,300. The son will die leaving
only \$127,100 for the grandchild after
taxes and costs of administration.

However, the \$100,000 and the pro-
ceeds of the \$150,000, life policy will
add \$250,000 to the latter, so that the
grandchild will end up with \$377,100.
If the plan is not adopted, the agent
would find that the prospect saves
more than \$31,000 before his retirement
out of the \$4,144 of annual income
which he lost by creating the trust.
This computation takes into account
the taxes he would pay on \$4,144 and
compounds the net at 2% annually.
Similarly, the prospect would save an-
other \$20,000 after retirement, taking
into account that after retirement his
tax rate will be substantially reduced.

As a result, he will have more than
\$352,000 for the son which will be re-
duced to some \$256,000 by taxes and
cost of administration. Since the son
will thus inherit slightly more than
\$100,000 than he would have if there
had been no trust, he will, during his
life expectancy, save about \$54,000
which he would not save if the trust is
created.

Accordingly, the prospect can leave
the grandchild \$311,000, which will
net the child, after taxes and adminis-
tration expenses, \$229,000.

This figure is almost \$150,000 less
than the amount available if the plan
is adopted, Mr. Schuyler said.

Continuing he went on to review pos-
sible objections to the plan in the fol-
lowing question and answer form:

(Q) This is a fine plan, but as much
as I love my grandson, why should I
arrange for him to get more than \$375,-
000, while my son gets only about
\$155,000?

(A) That is a perfectly valid objec-
tion. You must bear in mind that the
proposed plan is an illustration of what
can be done. Amounts can be altered
to eliminate or minimize this discrep-
ancy according to your wishes. The
point is the money for which you have
worked so hard is surely going to be
reduced by almost 25% if you leave it
outright to your son and he leaves it
outright to his son.

(Q) Well, why can't I save just as
much by leaving my son a life estate
and giving the property to my grand-
son when my son dies? There wouldn't
be two sets of death taxes then, would
there?

(A) No, there wouldn't, and, al-
though your grandson wouldn't get as
much, he would still probably get
more than you have now if you and
your son save and invest your surplus
income. But you should consider two
things: (1) Will you and your son save
that income?, and (2) even if you
will, don't you want your son to have
the independence which accompanies
outright ownership of at least some
of your property?

(Q) Assuming what you say is true,
why should I use a life insurance trust?
Why can't I do the same thing by put-
ting the money in an ordinary trust
and having the income accumulated
and reinvested?

(A) Well, to be honest, you might
leave your grandson more that way,
as much as \$50,000 more. But that
would assume that both you and your

son would live out your life expectan-
cies. Further, if your son should die
first, after your retirement, this plan
would afford ample funds to insure
protection for your daughter-in-law
and grandson, at a time where your
own income will be reduced and their

Mayo Shattuck, a well known estate
planner. Mr. Shattuck did not seem to
be overly concerned about it, and other
authorities either did not raise it or
dismissed it as inconsequential. The
logical idea here is that since the
real beneficiary of the policy is the

If Plan is not Adopted

	\$	\$	\$
Present estate		300,000	
Add:			
Income after taxes saved during life expectancy			
From age at date of trust to age 65 (15 yrs.)	31,643		
From retirement to death (6 yrs.)	20,744	52,387	
Father's probate estate			352,387
Less:			
Federal estate tax	68,000		
Illinois inheritance tax	6,800		
Costs of administration	21,000	95,800	
Net left to son			256,587
Add:			
Income, after taxes, saved during remainder of son's life expectancy			54,489
Son's probate estate			311,076
Less:			
Federal estate tax	57,000		
Illinois inheritance tax	5,400		
Costs of administration	19,000	81,400	
Grandchild's "inheritance"			
Net saving			229,676
Accumulated by non-insurance trust			147,424
			198,472

care might be quite a burden to you.

(Q) This plan contemplates that the
trustee purchase the insurance. Is there
any doubt that the trustee has an in-
surable interest in the prospect which
might disable the trustee from making
his contract of insurance?

(A) This point is raised by the late

child of the assured, there should be no
question of the trustee's right to pur-
chase the contract.

(Q) Is there any chance that the
proceeds of the policy would be treated
as a part of the son's estate for tax
purposes, or that the income used to

(CONTINUED ON PAGE 20)

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New National Health Bill

WASHINGTON—Reintroducing what they call the "national health act of 1953," Senators Ives, N. Y., and Flanders, Vt., said "the corner-stone of national health insurance program advocated in this bill is the local, voluntary, prepayment health service plan." The statement said the cost of many such plans "is beyond the means of a large segment of the population." Their bill provides for financial assistance to voluntary, non-profit, prepayment health plans.

Says Energy Makes Sales

V. O. Whiting, outstanding A. & H. producer of San Diego, spoke at the February meeting of Los Angeles Assn. of A. & H. Underwriters, stressing that success hinges on constant and unremitting work. Energy counts, he said, adding that by constant work the goal of applications can be achieved.

Head Wash Mutual, La.

D. Roy Domingue, president of Washington Mutual Life of Lafayette, La., which began operations Dec. 1, was secretary of All American Assurance of Louisiana from 1945 to 1951. The past two years he served as vice-president of Columbus National Life of Georgia.

Simon Domingue is vice-president. He had agency experience with All

American Assurance from 1945 to 1951 and with Coastal States Life in 1951-1952. The secretary is Robert J. Adams.

At Dec. 31, the company had assets of \$203,500.

Deposit Bill in N. C.

RALEIGH, N. C.—The model uniform deposit law has been proposed in North Carolina in a bill introduced by Rep. Pou, chairman of the insurance committee. This permits a company to make deposits in North Carolina "or some other state of the United States designated by law to accept such deposits" having a cash value of not less than \$100,000.

Confirm Miller in Vt.

The Vermont senate has unanimously confirmed the reappointment of Alexander H. Miller as commissioner of banking and insurance. The senate had delayed action for nearly a week.

Would Ban Burial Insurance

A bill offered in the Ohio house would prohibit insurance companies, morticians and cemetery associations from selling burial insurance. Another bill would exempt life insurance policies up to \$600 from being turned over as requirement for receiving old age pensions.

ASSOCIATIONS

Speakers Card Ready for Chicago Assn. Sales Rally

Four addresses plus a business insurance panel constitute the program for the 1953 sales congress to be sponsored by Chicago Assn. of Life Underwriters March 19.

Speakers are K. R. Bentley, Northwestern Mutual Life, Danville; Addy A. Chandler, Travelers, Atlanta, Ga.; David B. Fluegelman, Northwestern Mutual Life, New York City, president of N.A.L.U., and Gerald J. Patsey, president of Patsey Motors, Chicago.

Paul W. Cook, general agent of Mutual Benefit Life of Chicago, will be moderator of the panel comprised of Edmund P. O'Malley, Lincoln National Life; Frances P. Creadon, Metropolitan Life, and Gerald F. Griffin, Prudential.

Tex. Assn. Leaders Meet

The second annual seminar for the Texas Leaders Round Table of Texas Assn. of Life Underwriters is being held March 2-6 at the Southern Methodist Institute.

Sixty members are attending the advanced underwriting sessions, which have as a theme business insurance and estate planning with emphasis on taxes and trusts.

Pittsburgh—The Butler branch will hear Reginald C. Short, trust officer at Butler for Fidelity Trust Co. speak on "Life Insurance from the Trustee's Viewpoint." Mr. Short is known as an advocate of cooperation between life underwriters and trust men. "An Era of New Plateaus" will be discussed by Leo G. Griffith, Jr., agent here for Penn Mutual, before the Fayette county branch; Jack L. Cardinal, assistant manager here for Prudential, will speak to the Washington branch on "Term and Squirrel"; the New Castle branch's speaker will be Quinter G. Colebank, staff manager here for Prudential, who will discuss "Kash for You"; topic chosen by William F. Leax, supervisor here, Realiance division, Lincoln National, for presentation before the Beaver Valley branch will be "The Joy of Labor."

Fort Wayne, Ind.—Wilbur W. Hartshorn, superintendent of agencies, Metropolitan Life, for Ohio, Indiana and West Virginia, addressed the association.

Niagara Falls, N. Y.—Lloyd Stevens, regional supervisor, John Hancock, spoke on "Don't Sell Yourself Short."

Joplin, Mo.—Speakers at the monthly meeting, W. K. Calvin, agent here for Prudential, and E. J. Barani, superintendent here for National L. & A., discussed "Prospecting for Quality Business."

Chattanooga—"Business Insurance Selling" was outlined by W. H. Stevenson, general agent at Columbia, S. C., for Volunteer State Life.

Alexandria, Va.—Louis J. Grayson, Travelers, Washington, D. C., head of the army's National Service Life office during the last war, addressed the Northern Virginia association.

San Francisco—William D. Daniels, assistant director of training of California-Western States Life, spoke on "Planning for Profit" at a breakfast meeting.

Realign Baltimore Agency

Several management changes have been made in the Baltimore general agency of the Aetna Life, headed by James P. Graham, Jr.

James P. Graham, III, has been appointed associate general agent, while Robert C. Rice has been promoted to assistant general agent and William S. Graham has been named supervisor. The organization will be known as James P. Graham & Co.

James P. Graham, III, joined Aetna in 1946, following service in the navy. In 1948 he became assistant general agent at Newark, N. J., returning to Baltimore in 1949 in the same capacity.

Mr. Rice went with Aetna in 1949 and was appointed supervisor at Balti-

more in 1952.

Mr. Graham joined the Baltimore agency following naval service, and subsequently was named brokerage supervisor.

Shackelford, Hinckley Head Travelers Change

Two managerial appointments have been made by Travelers, George H. Shackelford at Houston and George P. Hinckley at Rochester.

Mr. Shackelford went with Travelers as a field supervisor at Richmond



G. H. Shackelford



G. P. Hinckley

in 1946. He was named an assistant manager there in 1949, and manager at Rochester in 1952. He is a marine veteran.

Mr. Hinckley joined Travelers as a field supervisor at Minneapolis in 1948, was transferred to St. Paul in 1950 in the same capacity and appointed assistant manager there in 1951.

The company has made several other field appointments. William W. Townsend, assistant district group supervisor at Richmond, has been appointed in the same capacity at Reading, Pa.

Nine group supervisors have been appointed: Donald F. Douglas, Chicago; Arch E. Paterson, Dallas; John J. Meaney, New York City; Arvid B. Gose, Peoria; Tom F. Hammond, New York City; Robert J. Walsh, Des Moines; George E. Grant, Detroit; Edward A. Lamphier, Jr., Boston; and Russell J. Etzel, Grand Rapids.

William F. Rowe, Jr., group supervisor at Baltimore, has been transferred to Richmond; John L. Byrnes, Jr., group supervisor at Grand Rapids, has been transferred to Erie, Pa., and Dick R. Phinney, group supervisor at Kansas City, goes to Denver in the same capacity.

David W. Erwin assistant manager at Lubbock Tex., has been appointed in the same capacity at Dallas.

Field supervisor appointments include: Fred W. Ruegg, Jr., St. Louis; Donald P. Mackin, Washington, D. C.; Edward J. Keller, Jacksonville, Fla.; and Richard S. Lawson, Toledo.

W. E. Franklin field supervisor at Dallas, has been appointed in the same capacity at Lubbock, Tex. Lawrence C. Manchester, agency service representative at St. Louis, has been promoted to field supervisor there.

Named as agency service representatives are Ronald L. Funk, Minneapolis, and Alfred L. Stoll, Boston.

The headquarters of Howard W. Reckhow, group supervisor, have been changed from New York City to Newark.

North Joins Speakers List

William E. North manager at Chicago for New York Life, has been added to the program of the Life Insurance Leaders Club of Indiana, which will hold its annual meeting at Turkey Run State Park April 24-25. Mr. North's topic will be "Time to Rewind the Clock." Other speakers were listed in last week's issue.

G. H. de Roode Named

Granville H. de Roode has been named executive vice-president of the All American Agency, regional general agents in southeast Florida for American Bankers Life.

Mr. de Roode is a former assistant director of the Purdue course.

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FRATERNALS

Fraternal Statement May Get NAIC O. K.

On the agenda for the meeting of National Assn. of Insurance Commissioners committee on blanks, which will be held in New York, March 29-April 2, is the proposed new annual statement blank for fraternal benefit societies. If it is approved at that meeting, it will presumably be presented to the N.A.I.C. in June at the San Francisco meeting and if approved there it would be used by fraternal benefit societies for 1953 statements.

The present annual statement forms for fraternal societies have been in use without major change for several decades. Insurance operations of the societies have, during this period, undergone many changes. The proposed new form represents a statement which includes the necessary information for proper supervision by the state insurance department and will give the public a more comprehensive idea of the financial condition of the societies and of their transactions. It is believed that the new form will be better understood by general accountants and is more in line with the type of statement which is recognized for financial operations today, according to a memorandum issued by the committee on revision of blanks of National Fraternal Congress.

The memorandum continues that within the past three years the insurance departments of the various states have adopted new forms of annual statement blanks for other types of insurance organizations. Commercial life companies were required to file annual statements for the year 1951 on a completely revised form. New annual statement forms for fire and casualty insurance companies had been adopted prior to 1951. Fraternal societies are the only major types of insurance organizations continuing to prepare and file annual statements on the old form. The N.F.C.A. committee recommends that each society take immediate steps to have annual statement figures for 1952 prepared on both the present annual statement blanks for official filing and on the proposed new form for the societies' internal and experimental use. In general it is not anticipated that any major changes will be required in methods or accounting procedures with the new form.

The N.F.C.A. committee is composed of Eugene H. Pakes, Supreme Forest Woodmen Circle; Samuel Eckler, Independent Order of Foresters; Thomas F. Hanrahan, Unity Life & Accident Insurance Assn.; Dan D. Macken, Woodmen of the World; Mary M. Cusic, Royal Neighbors; Frank J. Gadiant, Modern Woodmen; Walter L. Reuben, Aid Assn. for Lutherans, and Harmon R. Taylor, and Edward D. Brown, Jr., consulting actuaries.

Aid Association Convenes

Organization progress and future plans were discussed at the annual conference of general agents of Aid Association for Lutherans at its home office in Appleton, Wis.

Officers participating in the conference included President LeRoy G. Stohlman and Agency Vice-president Herbert G. Benz.

The association's general agents' advisory committee on sales problems also met.

Mrs. Dora Talley, Woodmen Circle President, Dies

Mrs. Dora Alexander Talley, 73, pres-



MRS. DORA ALEXANDER TALLEY

ident of Woodmen Circle, died of a heart ailment at Miami Beach in a hos-

pital where she had been for 10 days. She went to Miami Beach to attend a committee meeting of the organization. She served as president of National Fraternal Congress in 1937-38.

Woodmen Name Managers for Eastern N. Y., W. Va.

Sidney G. Harnett, New York City, has been named state manager of eastern New York, and T. J. Dennis, state manager of West Virginia, for Modern Woodmen. Mr. Harnett has been with Harnett Brothers, brokers, since 1926. Mr. Dennis has been with the company's agency force since 1933.

OK's Iowa Fraternal Bill

The Iowa senate has completed action of a bill which would permit fraternal insurance societies to write non-medical life insurance up to \$5,000. The present limitation is \$2,000. The bill now goes to the governor for his signature.

• Walter S. Henrion, vice-president and treasurer of Woodmen Central, has been elected president of the Lincoln, Neb., Community Chest.

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ANNUAL

REPORT



on operations during 1952 records the largest annual production in Company history, a paid total of \$124,081,433. Insurance in force was increased to \$1,232,061,175. Assets rose to \$477,983,266, and surplus, including capital stock, increased to \$20,698,567.

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IN 1867 IN
DES MOINES

Attorney Outlines Practical Estate Conservation Plan

(Continued from Page 17)

pay premiums would be taxed to the prospect or to the son?

(A) Not as the law stands today. However, retroactive changes have been made before, and no attorney could conscientiously say that they never would be made in this area.

(Q) Doesn't the payment of insurance premiums by a trustee constitute

an accumulation of income which would not be sanctioned by the law in some states?

(A) Here is a real danger, although "funded life insurance trusts" have enjoyed a favored position so far as judicial interpretations of statutes limiting the accumulations are concerned. Furthermore, there are no such limitations in many states, and, since the validity of the trust depends upon the law of the state where it is located, a state can be picked for the situs of the trust where no such restrictions exist.

The Illinois law on the point is not clear, Mr. Schuyler pointed out, but there is a bill before the legislature now which, if passed, would eliminate any doubt about the validity of accumulations under his proposed plan. Mr. Schuyler concluded that the career agent is in no mere money-making profession. He said proper estate planning is a professional function with roots in the very foundation of society, since it aids in the preservation of capital.

Guy E. Reed, executive vice-president of Harris Trust & Savings Bank, touched on the forum theme, "You Are Better Than You Think", in discussing the role of the life agent in creating a better Chicago.

Resolution Raps Cravey, Investigation Is Asked

The Georgia house has been asked to investigate "misuse and misappropriation" of money in the Georgia peace officer's retirement fund in a resolution that singles out for criticism Insurance Commissioner Zack Cravey, one of the trustees.

Gov. Herman Talmadge, another trustee, accused one of the sponsors of the resolution of bringing up the matter "to get his name in the papers and he succeeded in the purpose he set out to accomplish."

The resolution charges that the fund trustees retained a lawyer at \$250 a month plus fees and "it has been reliably reported and alleged" that Comptroller-General Zack Cravey required him to pay one half of his salary to Zack Cravey, Jr. The resolution said Cravey, Jr., "performed no services" for the retirement fund. It is also stated that \$120,000 belonging to the fund is held by a bank not approved by the trustees and the bank is "in active charge of the son of the comptroller-general" and that the comptroller himself "has a personal pecuniary interest" in the bank.

Mr. Cravey said he would welcome any investigation by the house committee "for the trustees of this fund have nothing to conceal." He added: "I clearly see the handiwork of an Atlanta lawyer who has one (single) insurance client to whom he has been giving aid and comfort in an effort to harass and intimidate your insurance commissioner."

Oppose Texas Building Bill

Opposition has arisen to the Texas bill which would permit life and A. & H. insurers to apply as much as 10% of capital and surplus to construction of branch office buildings, either for their business or for rental. The bill has been referred back to the house insurance committee, after having been reported out favorably.

The contention of those arguing against the bill was that it would benefit large companies to the detriment of smaller ones.

The insurable interest bill has received favorable action from the senate insurance committee. Under its provisions assured would have to buy the insurance, but it could be paid for by a company and the proceeds used to carry out terms of the contract between

them. There is no transfer for valuable consideration in the bill, so proceeds of the policy are not taxable.

Hall Heads N. E. Mutual Home Office Training Unit

New England Mutual Life is developing a comprehensive training program under the direction of David Hall, assistant secretary who recently was appointed director of home office training.

The program will be available to all home office persons, with content adapted to the level of position occupied.

Mr. Hall joined the company's actuarial department in 1930, following teaching experience. A fellow of the Society of Actuaries, he currently is vice-chairman of the Life Office Management Assn. Institute's examination committee.

N. Y. Life Tops Ad List

New York Life in 1952 topped the list of leading life insurance organization advertisers in magazines, farm magazines and newspaper sections. Its 1952 expenditures of \$1,224,290 compared with \$779,090 the preceding year.

Compiled by Publishers Information Bureau for the Magazine Advertising Bureau, the data were obtained by measuring 88 magazines, six farm magazines and eight newspapers.

Other leaders were:

	1952	1951
Metropolitan Life	1,179,359	1,060,379
John Hancock		
Mutual Life	711,240	619,345
Mutual Life N. Y.	596,399	517,581
Prudential	563,895	513,120
Travelers	228,180	164,105
New England		
Mutual Life	186,852	147,349
Massachusetts Mutual		
Life	173,680	284,330
Mutual Benefit Life ..	172,930	149,479
Institute of Life		
Insurance	153,209	175,350
Northwestern Mutual		
Life	132,770	117,335

Woodmen Honor Leaders

W. H. Hougham, Bloomington, Ill., and Francis Ortman, Rock Island, Ill., received 1952 production awards from Modern Woodmen. Mr. Hougham, state manager, southern Illinois, led the organization's state men with \$2,985,382 production and premium income of \$63,115, while Mr. Ortman, district manager, Rock Island, Henry and Mercer counties, topped the district list with more than \$1 million new business.

Chicago Blue Cross Rates Up

Chicago Blue Cross April 1 is raising its monthly rates for individuals to \$1.75, the previous cost having been \$1.30. Family rates will be \$4.60 as against \$3.80. In an explanatory pamphlet, the Blue Cross notes that the new rates have been approved by the Illinois insurance department.

GENERAL AGENCY AVAILABLE IN TOLEDO

Because of a promotion, we need a general agent in Toledo.

This is a real opportunity for a capable field underwriter who has both aptitude and desire to enter the management end of life insurance, or for a successful agency head who desires to broaden his field of operations. If you are the man we want, you will be given all possible assistance, both managerial and financial.

Ours is an old and highly reputable billion dollar company which you will be proud to represent. Every modern sales and training aid, together with salary plans, will be provided for the recruiting and training of new agents.

Inquiries will be treated in complete confidence. In reply, please give your complete qualifications.

Write Box R-21, The National Underwriter,
175 W. Jackson Blvd., Chicago 4, Ill.

ACTUARIAL ASSISTANT

An excellent opportunity with a progressive life insurance company in Baltimore, for a young man who has completed at least two actuarial examinations and has had some experience in actuarial work. Write stating full details of experience, training and personal data, sending photograph if available, and salary expected. All information will be held in confidence. Address R-17, The National Underwriters, 175 West Jackson Boulevard, Chicago 4, Illinois

WANT ADS

Rates \$15 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline Tuesday morning in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER
Life Insurance Edition

LIFE AGENTS MILITARY PILOTS

Opening for experienced Life Insurance agents for selling to Military Pilots.

\$10,000 maximum each life on 20 Pay and 30 Pay Life.

No Aviation Restrictions or War Clause, Full World Wide Coverage. Write Box R-40 (this publication) giving past experience in writing military, with your name, address and phone number.

OLD LINE LEGAL RESERVE COMPANIES

Licensed in California, Oregon, Washington and many other States

ACTUARY

Strong, progressive South American Insurance Company, seventy-nine years old, with fine volume life business and located in healthful, modern city, is interested in employing Fellow or promising Associate of the Society of Actuaries who has Company or Insurance Department experience, interesting work, substantial salary. Send résumé of experience, education and training to 36, The National Underwriter, 99 John Street, New York 38, N. Y.

Ohio - Indiana

An opportunity exists for an aggressive man who is qualified to do agency supervisory work in the states of Ohio and Indiana for a medium size mutual legal reserve life company located in the mid-west. If you have a record of success in recruiting, training and selling and would like an opportunity for advancement, write indicating age, marital status, business and educational background and salary desired. All replies confidential. Address P-98, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

GROUP UNDERWRITER

Nationally known casualty company needs experienced Group Underwriter for midwest head office. Some experience with statutory plans helpful. Prefer family man under 35. This spot offers good future to the right man. Reply should include details—as to age, marital status, education, business experience and salary requirements. Our employees know of this ad. Address R-47, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Executive Board to Speed Mutual Benefit Progress

(CONTINUED FROM PAGE 1)

gramming device, will henceforth be for two weeks. The shortened course will require more home-work on the agent's part but will get him back into production in half the time that the former program did.

The brokerage kit, described as a self-contained life department, has 10 folders which tell about the company, how to approach prospects, and how to sell them, and a complete set of sales packages. A file is provided for sales ideas from agency bulletins and other mailings. Mr. Heitzeberg told about the two new direct mail manuals, one for the agent and the other for the supervisor. The latter is believed to be the first of its type ever published.

Mr. Heitzeberg explained a program which is not directly concerned with sales but is expected to have long range good will and prestige building benefits. This is the essay contest Mutual Benefit is sponsoring among high school students throughout the country. The company chose *Scholastic* magazine to promulgate information about the contest because of the magazine's wide circulation among high school students.

Announcement that a booklet describing specimen agreements for business insurance had been published by the company was enthusiastically greeted. Containing sample agreements for various stock redemption and business liquidation procedures, it also has material on professional partners liquidation problems and forms that might be used.

Vice-president John J. Magovern, Jr., told about the additional death benefit rider. Payment under the rider will be in event death is due to accidentally incurred bodily injuries. The availability of the rider awaits approval of forms filed in several states.

Settlement of the rider will be considered as a part of the proceeds of the policy and settlement conditions will be arranged so that the proceeds of the rider will be added to the settlement benefits under the policy.

Mr. Magovern said that there will be those claims where it is readily and easily determined whether the death comes within the provisions of the rider. There will be those where a minimum of investigation will clear up any doubts and the settlement, therefore, will be only delayed two or three days. There will also be claims requiring extensive investigation. In these, the proceeds of the regular policy will be promptly paid without prejudicing claims under the rider, which will be investigated.

Paul Rotter, associate mathematician, said that a new series of two, three, four and five year term policies which will automatically convert at the end of the term period to ordinary at the then attained age of the insurer will soon be available. There will also be available 10 and 15-year non-renewable but convertible term policies. The company's present five-year term policy has been withdrawn.

James P. Moore, Jr., comptroller, said that the target date for writing the new monthly premium business is July 1, 1953. Stressing that the plans for the new premium payment program are incomplete, and therefore subject to change, he said that the minimum monthly premium will be \$20. Payment of the first month's premium

will be required with the application.

Simplicity has been the guiding word in the establishment of the requirements and procedures for these payments. The company will employ the coupon book method, which many banks use for time-payment installments. The book contains coupons upon which are noted the amount of payment due, the date it is due, and sufficient information to properly identify the policyholder. These coupons are mailed with the payment to the collection office.

Commissions on monthly premium business will be paid at the end of the first year and renewal commissions when the seventh payment for that year has been received, said Mr. Moore. There will be certain regulations governing these payments, but the above is the general policy.

Vice-president Harry Jones described the factors which resulted in the development of a new dividend scale to replace the one established in 1948. Under the 1948 scale, the company found a progressive improvement in the percentage relationship between insurance gains and dividends.

Further, there was a need for improvement in the long-term net cost position which tended to become less favorable than the short-term net cost position. The same mortality figures were employed in the new chart. Improved interest rates, which jumped 40 points since 1948, encouraged the change in dividend scales. Heavier expenses, particularly those of the early years, also required recognition.

Mr. Jones stressed that the new scale will result in improved accumulations, and would be of substantial benefit in its long term effect on policyholders, agents and the company.

Vice-president Milford A. Vieser gave a comprehensive review of Mutual Benefit's investment program. It was well received by the general agents, who requested copies of the talk.

Mr. Vieser said that the company has its major investments in debt instruments. Equity investments resulted from a large increase in investment funds available and a desire to get higher returns. However, because preferred and common stocks fluctuate, have unstable dividends and an unstable market value, these investments require caution. The common stock investments are in banks and the preferred stock investments are made where there are sinking funds and protective covenants. Equity investments include real estate investments of \$25 million.

The investment in government bonds has decreased since the end of the second war, now being 17% of Mutual Benefit's total investments. Railroad, public utility and industrial bond investments are also in the portfolio. Mortgage investments constitute 32% of the investment portfolio, with \$353 million in city mortgages and some \$100 million in farm mortgages. Mr. Vieser said mortgage investments will be increased some 5%.

Mr. Vieser said that the continued interest rate increase may be expected. However, he warned that while the country cannot expect an uninterrupted economic boom, it also would be unrealistic to expect a deflationary period like the 1930s, in view of the favorable pressures exerted by population growth and research contributions.

Richard E. Pille, vice-president in charge of agencies, who welcomed the agents at the opening session, closed

the meeting with a discussion of the development and benefits of the agency system and advantages and disadvantages as compared with the branch office system. He said the general agency system allows the general agent to do creative thinking and to undertake creative action because he is independent.

Mr. Pille told the agents that the general agency system has not forced them to shift to personal production. Citing figures of the general agents' production, Mr. Pille said that the personal production of the general agents had remained around 6% of the company's total business. He concluded that the slight variation through the years indicates that the general agents have found agent production a satisfactory volume factor in agency production.

Vice-president William F. Ward discussed the problems of underwriting.

• *Business Men's Assurance* held a one-day sales meeting at Wichita conducted by Ralph Crissman, new manager there, who succeeded the late Bert A. Hedges. The home office was represented by G. J. Tritch, field manager, and Lile Hopkins, sales assistant.

Taylor Succeeds Henley As Life of Va. President

(CONTINUED FROM PAGE 1)

Mr. Taylor is a past president of Middle Atlantic Actuarial Assn. He represented American Institute of Actuaries as a member of the "Guertin Committee" and has written several papers on actuarial subjects. He was married in 1931 and has three daughters.

Mr. Henley had been president since 1945. A graduate of College of William & Mary and of University of Virginia law school, he served as division superintendent of schools for James City county in 1910-11. He went with Life of Virginia in 1920 as an attorney, became general counsel in 1932, a vice-president in 1934, and executive vice-president in 1942. He is a director of several business organizations and has been exceedingly active in civic affairs. In 1951 he was elected chairman of the Institute of Life Insurance. He also is a director of Life Insurance Assn. of America.

• *Plymouth Life* of Austin has moved to new offices at 111 East 8th Street.

Fifty-Ninth Year of Dependable Service

★ The State Life Insurance Company has paid \$183,000,000 to Policyowners and Beneficiaries since organization September 5, 1894 . . . The Company also holds over \$80,000,000 in Assets for their benefit . . . Policies in force number 103,000 and Insurance in force is over \$220,000,000 . . . The State Life offers splendid agency opportunities—with liberal contract, and up-to-date training and service facilities—for those qualified.

★ ★ ★

THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

Name Four of Faculty for 1953 C. L. U. Institutes

Among the lecturers at the 1953 C. L. U. institutes will be Dean Laurence J. Ackerman of the University of Connecticut; Milton Young, member of the law firm of Young, Kaplan & Edelstein, New York City; Robert J. Lawthers, manager of benefit and insurance trust departments of New England Mutual; and John O. Todd, Northwestern Mutual, Chicago.

Leroy G. Steinbeck, managing director of American Society, said that announcement will be made later of other lecturers.

Dean Ackerman, who previously has been director of institutes and is associate director of the Connecticut institute, will have his first major role on the program. Charles C. Center will be associate director of the Wisconsin institute.

The enrollment fee is \$200 for the July 20-31 University Wisconsin institute or the Aug. 3-14 University of Connecticut institute. This fee includes room and board. The registration fee is \$20. Sixty places are available at each institute.

Dallas A. & H. Men Elect

D. E. Carroll, Occidental of California, was elected president of Dallas Assn. of A. & H. Underwriters to succeed Allen Cuerton, Combined Amer-

ican. Mr. Cuerton for one year becomes ex officio board chairman.

Other officers elected are J. G. Clairborne, Employers Casualty, first vice-president; Elmo Lee, Commercial Travelers, secretary-treasurer, and Mrs. Helen Sewall, Inter-Ocean, publicity director.

Several Insurers Formed in Texas During January

January proved to be a popular month for the formation of life companies in Texas. Among the companies either licensed or meeting license qualifications were:

American Savings Life, Fort Worth, with \$25,000 capital and \$5,000 surplus. President is Fred Dickey.

Home Guaranty Life, Dallas, headed by President Fred W. Davis, with paid in capital of \$100,000 and surplus of \$50,000.

Houston Security Mutual Life, with Fred E. Kelso as president.

Personal Life & Casualty of Dallas, with paid-in capital of \$25,000 and surplus of \$15,000. James V. Landress is president.

Southern Provident Life, Dallas, with paid-in capital of \$119,460 and surplus of \$97,300. President is Charles B. Roberts.

Universal General Life, Dallas, with paid-in capital of \$25,000 and surplus of \$12,500. W. G. Lord is president.

Buy-and-Sell Agreements Scorned at Indianapolis

Blasting the use of buy-and-sell agreements in business insurance cases, Merle Miller, Indianapolis tax attorney, told members of Indianapolis Assn. of Life Underwriters at a breakfast meeting that life insurance, with its protection feature and tax advantages is "the Cadillac among investments." He added that any attempt to "tie it up in a package with a business insurance agreement" is to attempt to "put wings on the Cadillac" and is courting disaster.

The only proper business insurance is key man, Mr. Miller declared, pointing to four danger spots in the buy-and-sell agreement. He said often there is an arbitrary evaluation of a business on a given date; it is impossible to foretell future values; valuing a business requires years of training, and the only true value is that which the buyer will give and the seller will accept.

Mr. Miller advised the agent to simply sell insurance to cover a risk. When he seeks the service of a lawyer to tie it up in agreements, he is inviting trouble.

• Mutual Life has lent \$700,000 on a 10-year 5¼% mortgage to Quinto Creek Production Co. The company will use the proceeds to pay off exist-

ing loans and to finance the drilling of additional oil and gas wells in the Quinto Creek fields in Jim Wells county and in the West Morales field in Jackson county, Texas.

Dayton Sales Congress Attracts Large Turnout

A large attendance turned out for the sales congress sponsored by Dayton Assn. of Life Underwriters to hear talks by Edward W. Nippert, vice-president of Fifth-Third Union Trust Co., Cincinnati; Dr. H. H. Maynard, Ohio State University; A. J. Nussbaum, Massachusetts Mutual Life, Milwaukee, and C. G. Schied, New York Life, Cleveland.

Besides the Daytonians, members of the Columbus, Middletown, Lima and Springfield associations, as well as members of Dayton Sales Executive Club and Dayton Bar Assn., attended.

Detroit Ordinary Sales Jump 49% in January

Detroit, with a gain of 49%, led the large cities in increase of ordinary sales in January, according to L. I. A. M. A. Other leading cities and their increases are: St. Louis, 38%; Chicago, 26%; New York, 24%; Philadelphia and Los Angeles, 21%; Boston, 9%; and Cleveland, 3%.

New Jersey with a gain of 39%, Connecticut with 32% and New York with 27% showed the greatest increase among the states.

Report on Wage-Hour Investigations in 1952

Violations of overtime pay provisions in the fair labor standards act were the chief cause in 1952 of back wage liabilities for insurance companies, the U. S. Labor Department wage and hour division reports.

Insurance companies paid \$71,327 in back wages to 936 employees as a result of the division's activities last year. This does not include money awarded to employees who sued in court for back pay and liquidated damages.

Of the 590 insurance agencies and companies investigated during 1952, 39% were found in violation of overtime pay requirements; 23% were in violation of the statutory minimum wage. There was violation of the child-labor provision in 1% of investigated establishments.

The report notes that while 47% of investigated firms had violated one or more provisions of the federal wage and hour law, this is not considered representative of the business as a whole, since the division makes investigations on a selective basis, concentrating on those companies where complaints have been made or general information indicates violations probably will be found.

Flammang Heads Agency

Joseph B. Flammang has been named to head a new general agency being opened by Pacific Mutual Life to serve residents of the San Fernando valley in southern California.


Mr. Flammang has been agency training supervisor at the home office for two years. Before that he was with the Kraus agency at Los Angeles.

To Push 'Home Protector'

Special emphasis during a March sales drive by field men of Franklin Life will be on the company's home protector policy. The campaign will commemorate Franklin Life's 69th anniversary.

Modern Woodmen of America

FOR 70 YEARS A COMMUNITY SERVANT



For the past 70 years Modern Woodmen of America has been a faithful servant in communities throughout the nation. Our 70th year was marked by a 25 per cent increase in new business and continuous gains in financial strength. We are confident that 1953 will bring even greater achievements.

IMPORTANT FACTS about Modern Woodmen Service

- Modern Woodmen now has a 70-year record of faithful service to members and beneficiaries.
- More than \$775,000,000 has been paid in benefits.
- Our record of prompt payment is unsurpassed.
- Assets exceed \$175,000,000 in a strong investment portfolio.
- More than 25 plans of insurance are issued . . . covering the needs of every member of the family from birth to age 60.
- Modern Woodmen gives THE POLIO-PROTECTION PLUS—extra protection at no extra cost.

MODERN WOODMEN OF AMERICA
HOME OFFICE ROCK ISLAND, ILLINOIS

WHERE TO PLACE THOSE "OVER 65" CASES?

IT WILL PAY YOU TO CHECK OUR FACTS AND FIGURES

BRANCH
OFFICES

• Baltimore • Chicago • Cincinnati • Cleveland • Detroit • Hartford
• Honolulu • Lansing • Los Angeles • Newark • Philadelphia
• Pittsburgh • Portland • Saginaw • San Francisco • Seattle

Also licensed in the Dist. of Columbia, Arizona, Delaware, Idaho and Virginia.

YOUR OWN COMPANY FIRST . . . THEN

THE MANUFACTURERS LIFE

INSURANCE COMPANY

Bohlinger Wins Assn.

Support for 213 Bill

(CONTINUED FROM PAGE 1)
position has been and will remain unchanged.

"The provisions with regard to agents' compensation which are contained in the bill which was introduced in both houses provide for additional cash compensation and security benefits having a commuted value of 5.09%.

"I would suggest that you communicate with us promptly after the close of the current legislative session in order that a study may be undertaken which will develop the necessary facts upon which we can reach a supportable conclusion regarding agents' compensation next year."

Philip R. Chase, Northwestern Mutual, Syracuse, association president, has written state association delegates and local association presidents that the association decided to go along with the bill in view of Mr. Bohlinger's assurance and the fact that Senator Condon has stated he is asking that his special committee be continued for another year.

"We think that the changes made in the bill since our meeting have shown that the bill is definitely a step in the right direction toward doing more for the life insurance business," Mr. Chase wrote. "Although it still falls short of giving us much of what we need, we will probably be better off to concede that it is helpful and we must then push for further changes for next year."

The normal procedure would be for the senate bill to go to the assembly next week and be substituted for the assembly bill, but it is reported that there is some behind-the-scenes jockeying as to whether it will be Senator Condon's bill that is enacted or Assemblyman Rabin's, although both measures are identical.

It is also not clear whether the bill will be passed immediately, in which case it would become law automatically unless Governor Dewey vetoed it within 10 days, or held for passage until near the end of the session to give the governor 30 days in which to act on it. There is no reason to suppose that the governor will veto it in either event, however.

The CIO bill to get exemption from section 213 for compensation rates based on collective bargaining appears to be making little headway.

Criticizes Insurers' Role as Pension Administrators

WASHINGTON—"Trustee Setup Best for Welfare Pensions," is title of an editorial in the United Mine Workers Journal, organ of the United Mine Workers of America, which criticizes private commercial health insurance. It follows, in part:

"Ever since trade unions began to launch pension, hospitalization and medical plans, insurance companies have been trying with might and main to sell their companies to labor unions as administrative agents to administer such plans—not as an insurer, just alleged plain efficiency agent.

"The UMWA had numerous alleged efficiency proposals which involved an administrative cost of 20% and up. The trustees of the UMWA fund turned down these money-making offers from insurance companies in favor of a trustee set-up which reduced the cost for the year ending June 30, 1952, to 2.7%.

"Still longing for the big profits that insurance companies reap from annuities, health and accident insurance,

representatives from time to time sought to convince certain segments of the membership that the insurance companies could do a better job than under a union trustee plan."

Royal Neighbors Makes Across Board Advances

Life insurance in force of Royal Neighbors amounted to \$407,382,632 at Dec. 31, an increase of \$7,279,102.

Assets amounted to \$142,964,648, an increase of \$5,160,975 or 3.75%. The net rate of interest earned on benefit funds was 3.42%, compared with 3.35%.

Insurance in force of \$407,382,632 is composed of \$314,155,474 adult, and \$93,227,158 juvenile. Membership increased to 555,034.

New paid for insurance written amounted to \$22,754,600.

Certificate reserves, computed at 2½%, aggregated \$123,763,198, an increase of \$9,921,530. Contingent reserves, for fluctuations of interest and mortality amounted to \$12,814,916, and unassigned funds totaled \$1,717,444. Income was \$14,485,174, greater by \$345,411.

Death claims and payments to mem-

bers amounted to \$6,605,308, such payments since organization totaling \$176,792,777.

2 Outlive Mortality Tables. Collect Own Death Claims

William S. Small, 96-year-old Southwest Harbor, Me., carpenter, received a check for the cash value of his ordinary life policy from Manhattan Life because he has outlived the mortality table. He took out his policy in 1895.

David W. Airy, 96, is another who has outlived the actuarial tables. Mr. Airy received three representatives of Kansas City Life at his home at Hamburg, and was presented with a check for the face amount of his policy. He acquired it in 1915 from Charles P. Carroll, agent and vice-president of Kansas City Life. John Willoughby, Kansas City, regional agency supervisor, and John Gotsche, agent, were among those in attendance when B. Melvin Johnson, Omaha general agent, presented the check.

• Byron T. Jennings, a member of the law firm of Jennings & Kinney, Cin-

cinnati, has been appointed manager of the pension and employee benefit department of the home office agency of Union Central Life.

\$1 Million to Yale

County Judge Troyer at Omaha has signed a decree authorizing payment of a \$1 million bequest to Yale from the estate of W. G. Preston, who was head of the old Bankers Reserve Life of Omaha that was reinsured in Ohio National Life in 1933. Mr. Preston died last May at the age of 80. The money will be used to create a scholarship fund in memory of Walter G. Preston, Jr., who died in 1941. Both the father and son were Yale graduates.

Ind. A. & H. Bill Now Law

A new group and uniform provisions A. & H. bill, generally following the H. & A. Underwriters Conference recommendations, has been signed into law in Indiana. A companion group life bill has passed both houses and now awaits the governor's signature. The latter bill contains the recommended limitation of \$20,000 on one life or one and a half times annual compensation up to \$40,000.



FORTY-SIXTH ANNUAL STATEMENT

December 31, 1952

Condensed from Report filed with Indiana Department of Insurance

ASSETS

United States Government Bonds.....	\$ 1,651,997.97
Corporate, Public Utility and Other Bonds.....	12,913,599.66
Total Bonds.....	\$14,565,597.63
First Mortgage Loans on Real Estate.....	9,634,660.81
Loans on Company's Policies.....	1,406,405.06
Stocks—Preferred and Common.....	63,600.00
Cash in Banks.....	607,508.08
Net Outstanding Premiums.....	388,229.25
Real Estate, Including Home Office Building.....	52,422.28
Interest Due and Accrued.....	165,612.75
Total Assets.....	\$26,884,035.86

LIABILITIES

Reserve on Policies.....	\$21,380,937.00
Reserve for Reduction in Interest Assumption.....	1,250,000.00
Reserve for Trust Funds.....	1,072,788.58
Reserve for Coupons and Policy Dividends.....	701,537.45
Premiums and Interest Paid in Advance.....	348,518.40
Reserve for Claims—Proofs Incomplete.....	183,604.00
Reserve for Taxes.....	74,043.89
Reserve for Security and Mortgage Valuation.....	129,484.24
All other Liabilities.....	93,122.30
Total Liabilities.....	\$25,234,035.86
Reserve for Contingencies.....	\$ 550,000.00
Capital Stock.....	300,000.00
Surplus Unassigned.....	800,000.00
Total Surplus to Policyowners.....	1,650,000.00
Total	\$26,884,035.86
Insurance in Force.....	\$119,433,773.00

PEOPLES LIFE INSURANCE COMPANY

"The Friendly Company"

Frankfort

Indiana

Late News Bulletins . . .

Says Insurance Promotes Healthy Economy

The life insurance industry is a key group working for health in the national economy, Carrol M. Shanks, president of Prudential, told members of its ordinary agencies' President's Club at its conference in New Orleans. Before delivering his address Mr. Shanks presented to Sidney L. Marks, manager at New Orleans, the president's trophy for 1952. Awarded on the basis of "all-round achievement", the plaque symbolizes leadership in all phases of agency work. Mr. Shank's praise of the life insurance business came at the conclusion of a talk in which he had outlined many of the problems facing the country today and had cautioned his audience against expecting immediate major changes as the result of a new administration in Washington.

Indianapolis Life Men Back Blue Cross Protest

A resolution of support of the protest of Indiana Assn. of A. & H. Underwriters to Blue Cross over its advertising has been voted by directors of Indianapolis Assn. of Life Underwriters. The life group also offered the A. & H. association support in any further effort to bring about public clarification of difference between Blue Cross and commercial insurance.

The action of the life group is considered significant in view of the fact that Indianapolis Hospital Development Assn., driving for a \$12 million hospital expansion fund for the city, has called heavily on life insurance men as solicitors.

N.C. A. & H. "Waiting" Bill Hits Snag

RALEIGH—Opposition has arisen to a legislative proposal that there be a period of notice prior to cancelling A. & H. policies. J. C. Smith, Greensboro attorney, representing H. & A. Underwriters Conference, contended that "this is not the approach; it is not even akin to the approach." Opponents to the proposal, developed in Commissioner Cheek's office, say it would result in a large rate increase.

Mr. Cheek, who conceded that some rate adjustment would be necessary, commented that "insurance men frequently oppose change until they have seen it in practice for about three years." He said that some notice period is necessary if A. & H. coverage is to maintain good standing with the public.

The bill has been referred to a subcommittee.

Connecticut General Achievement Award

HARTFORD—Connecticut General has picked these agencies for outstanding achievement awards based on excellence in service to clients and all-round performance: Larkin at New York City, Gryson at Detroit, Fabian at Houston, Sabin at New York City, and Greene at Newark.

Win Awards for Civic Achievements

Freedoms Foundation honor awards for 1952 were received by the Institute of Life Insurance, John Hancock and Penn Mutual, for their advertising; by Lester O. Schriver, Aetna Life general agent in Peoria, for a newspaper editorial; and by Jesse W. Randall, who recently retired as president of Travelers, for his lay sermon, "Freedom Is Not for the Lazy or Weak"; National Assn. of Life Underwriters, Institute of Life Insurance and Bruce Heritage Foundation Awards for their outstanding contributions to the national non-partisan register-and-vote campaign. N.A.L.U. tied for first place with the National Assn. of Automobile Dealers.

Other Late News Notes

- Dr. John C. Robinson has been named assistant medical director of Travelers. A graduate of the college of medicine of the University of Vermont, Dr. Robinson interned at Eastern Maine General hospital, Bangor, and served a residency at Vermont Sanatorium, Pittsford. He is an army veteran and before joining Travelers was in private practice at West Springfield, Mass.

- Coastal States Life has declared a 25% stock dividend. Common stockholders will receive one new share for each four shares now held.

- United States Life has appointed the Knickerbocker agency in New York City as a general agent. Adrian S. Jacoby is manager. He joined the agency in 1939 as vice-president, when it was specializing in A. & H. He is an air force veteran. U. S. Life's White & Winston agency in New York City has appointed Kenneth J. Ludwig as brokerage supervisor. He will have charge of developing new business among brokers and will promote and service the association group plan of A. & H. for the Greater New York Insurance Brokers' Assn. He has been with the Travelers as a field supervisor. He is a navy veteran.

- Earl W. Cryer has been appointed field training supervisor by Guardian Life. He will work with Field Training Director Paul E. Van Horn. He has been in life insurance work since 1940 in the field and home office. His experience includes acting as a home office consultant on business insurance and estate planning.

- Southland Life has named Rolland A. Nash manager for western Oklahoma with headquarters at Oklahoma City, and Les A. Long, Jr., a field assistant with headquarters at the home office in Dallas. Mr. Nash for four years was with Mutual Life, serving at Watonga, Okla., and Oklahoma City. Mr. Long joined the company last March.

Company Statement Reports Mirror Big Gains for 1952

(CONTINUED FROM PAGE 3)

487 to reach a new high of \$3,714,952.

The company paid out \$9,481,257 to beneficiaries and policyholders during 1952. Death claims totaled \$2,702,288, living policyholders received \$1,995,482, A. & H. claim payments totaled \$4,783,547.

Twenty-six new general agents were appointed in 1952 and the company entered 10 new states.

Okla. Sales Congress Tops Attendance Mark

OKLAHOMA CITY—The largest audience in the history of the Oklahoma Assn. of Life Underwriters sales congress turned out to make a success of the experiment of combining the formerly separate Oklahoma City and Tulsa sections into one meeting in the student union at Oklahoma A. & M. college, Stillwater.

The 580 persons attending the luncheon heard Commissioner Dickey review the business' growth in Oklahoma.

Speakers were Solomon Huber, general agent for Mutual Benefit Life at New York City; Frank M. See, general agent for New England Mutual Life at St. Louis; Wick W. Fondren, Great Southern Life, Madill, Okla.; Floyd Barnes, American National, Lawton, Okla.; H. Don Nielsen, agency director of Prudential, Houston, and Francis L. Merritt, agency vice-president of Central Life of Iowa.

Mr. Fondren urged agents to cultivate the interests of their clients, and to make a constant effort to meet persons, viewing all as likely prospects. Mr. Huber gave several prospecting tips, mentioning that whenever an agent assists a person he becomes a client even though he doesn't buy immediately.

The agent must feel that he is doing something for a prospect, not to him, in order to build up the right attitude, Mr. Merritt cautioned. To overcome buyers' objections, Mr. See advised a well thought-out approach devoid of "leading questions."

Leroy A. Lincoln, chairman of Metropolitan Life, is a member of the research and policy committee of the Committee for Economic Development. This organization has developed a program of aid to Britain and other allies through reduction of tariff duties, removal of import quotas, simplification of customs procedures, and liberalization or repeal of the "Buy American Act".

- The southern Ohio division of Franklin Life, headed by John E. Duffy, divisional sales director, will be moved to larger offices in the Dixie Terminal building at Cincinnati.

- The recently completed \$12 million Tishman office building group at 3440-50-60 Wilshire boulevard, Los Angeles, has been sold to Prudential. The buildings have been leased back, with long term renewal options, and Tishman Realty will continue to operate them.

- Dr. Reynold C. Voss, vice-president and associate medical director of Pan-American Life, addressed the New Orleans Control of Controllers Institute on "Steps a Business Man Should Take to Preserve His Health."

New Test Is Uncannily Sharp in Selecting Agents

(CONTINUED FROM PAGE 3)

might be used to describe a person. A few examples are cocky, scaredy-cat, God-fearing, self-sufficient, timid, bold, smooth. The person taking the test is asked to go through the list and check off every adjective that anybody has ever applied to him.

After he has done that he is supposed to go through the list again, checking those adjectives that he himself believes apply to him. These may turn out to be the same ones that he checked the first time around or they may not. Usually he checks far fewer adjectives that he feels apply to himself than he does in checking adjectives that have been applied to him by others. If there are any words that he doesn't know the meaning of he is supposed to draw a line through them.

The general agent who gives the test doesn't score it himself but sends it to his home office or wherever the scoring is being done. The scoring involves a fairly complex apparatus but is simple in operation and extremely fast. An integration of the adjectives checked as having been applied to the man himself, as applying to the man himself, and crossed out as not being understood by him gives an uncannily accurate description of the man as regards his adaptability to life insurance selling. One general agent said the test had proved so accurate in picking recruits with sales ability and rejecting those lacking it that he intends to use it exclusively from now on.

Like most psychological tests, the A.V.A. is sufficiently well booby-trapped so that there is little danger that an applicant will outsmart it by answering dishonestly in the hope of a better score.

One of the advantages of using the A.V.A. is not only that it seems able to select the best recruits with a high degree of accuracy but that it enables the general agent to tell the man confidently that he is well adapted to life insurance selling. Many men, of course, would like to be successful life insurance agents but are reluctant to try it if they feel the cards are stacked against them because of their own lack of talent for the work.

"Also, of course, it cuts down on the amount of time and soul-searching that the general agent has to do to decide whether the man he is thinking of taking on will be successful or not.

The A.V.A. was developed by a personnel manager in the steel business through a long period of experimenting.

Equitable Names Feuer to Succeed Lustgarten

Milton Feuer has been appointed manager at Chicago by Equitable Society to succeed Samuel Lustgarten, who has retired. A luncheon honoring Mr. Lustgarten, a 35-year Equitable veteran, was reported in last week's issue.

Mr. Feuer joined the company in 1923, was made unit manager in the agency in 1930 and assistant manager in 1941.

Some of the members of the former Lustgarten agency will now be associated with other Equitable agencies at Chicago. The Grossberg unit and Ray Anthony organization are to be part of the Murray Riskin agency, and the Louis Behr organization will be a part of the Ernest C. Wantcher agency.

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Management ~~MEN~~ AT WORK

In this picture are some of Home Life's leading agency managers and top home office executives. Their names are not important. But the reason for their meeting is.

... Home office management wants field reactions to ideas concerning a new mortgage policy and a new type of junior insurance policy.

... A manager is interested in the possibility of simplifying settlement option agreements.

... An Agency Department executive seeks help in determining the type of meeting to be planned for the company's top Field Underwriters.

... Field and home office management wish to review pro's and con's of entering the Accident & Health field and of setting up a "Baby Group" program.

These are only a few of the problems which will come up at this conference table. They are knotty problems and they call for management's best judgment.

Home Life long ago recognized that the best solutions for such problems come from joint consideration by field and home office management. The company in 1944 organized a unit of field

'management known as the Managers Advisory Committee. In the years which have elapsed this committee has become an institution at Home Life, an institution that has done much to develop the concept of mutual management.

The Managers Advisory Committee, comprised of eight agency managers each serving two year terms, is set up to insure consideration of current management problems. Shortly before each meeting a request goes out to all of the company's agency managers and department heads. "What's on your mind," it asks in effect. From the responses are drawn up an agenda for a three-day conference, which often covers some 50 topics.

Around the conference table utmost frankness prevails. There are no "touchy" subjects, no sacred cows. Home office management feels that if it cannot convince the managers committee of the correctness of a specific action or policy, then consideration should be given to changing that action or policy. The managers, for their part, provide the "field point of view" so necessary in formulating effective company policy.

What has been the net result of these meetings?

The answer is increased mutual understanding between field and home office on common management problems. As one member of the Advisory Committee commented at the close of a recent meeting: "I hope that all of the managers have an opportunity sooner or later to serve on this committee because it has given me a better understanding of the company's problems, a greater feeling of security about the job that I hold and a renewed enthusiasm for the wonderful company that I represent."

HOME LIFE INSURANCE Co.

256 Broadway, New York, N. Y.

"A Career Underwriters' Company"

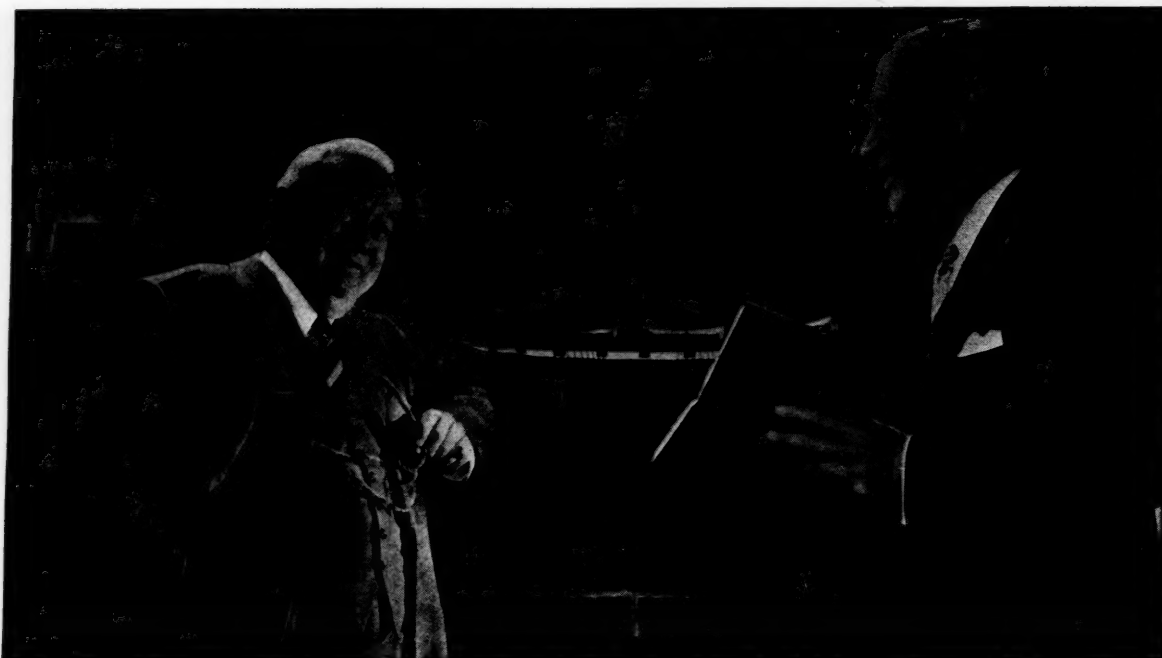
W. P. Worthington,
Executive Vice President

W. J. Cameron,
President

J. F. Walsh,
Vice Pres. & Mgr. of Agencies



The story of two fat men...



One acted unwisely . . . he always ate too much; he tried to lose weight quickly through strenuous exercise, self-prescribed drugs, and other short-cuts to weight reduction.

One reduced sensibly . . . he consulted his doctor about his weight problem, and followed a properly balanced diet to bring his weight down gradually, and keep it at a desirable level.

OVERWEIGHT is our country's Number One health problem today. In fact, it is estimated that there are about 25 million Americans who are burdened by excess pounds.

Medical authorities stress the health hazards of overweight more than ever before. The reason for this is simple:

Continuing studies show that overweight people do not live, on the average, as long as those who keep their weight at a desirable level. This is because excessive fat tends to increase a person's chances of possibly developing one or more diseases of the heart and blood vessels, diabetes, liver and gall bladder disease and other disorders.

Overweight may reduce physical efficiency and often is a serious handicap in the event an operation is needed, or an acute

illness occurs. In addition, overweight is apt to place an unnecessary strain on many vital organs, especially the heart. It has been estimated, for example, that for every 20 pounds of excess weight, one's heart must serve about 12 extra miles of blood vessels. So, it is important to keep a watchful eye on your weight and start reducing as soon as any unwelcome pounds appear.

Safe and sensible weight reduction should always begin with a visit to your doctor. He will examine you and suggest what weight is best for you. His decision will be based, in part, on your height and age, as well as your bone structure and the kind of life you lead.

Nearly all cases of overweight are due to eating too much. There are various reasons for excessive eating—emotional difficulties,

for example. Whatever the cause, the doctor can usually help you to develop a sound weight reduction program. This will usually include a properly balanced diet; one which will bring about the desired reduction slowly, usually at the rate of about two pounds a week, and also supply the body with the necessary protective food elements. However, no diet will produce satisfactory results, unless there is a determined effort made by the patient to reduce.

With the doctor's advice and a firm resolution to cooperate wholeheartedly, an overweight person can usually attain the desired weight—at which he will look, feel, and act best. *Remember that proper weight, in terms of everyday comfort and longer life, is worth whatever effort is required to achieve and maintain it.*

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